

of Athens; John Ulmer, F. Pamperin, and other residents of Marshfield; Fred Kuhn, William F. Beyer, Rudolph Schlender, Fred Knoke, August Miller, August Zietlow, F. W. Retzlaff, August Beversdorf, Rev. E. R. Kraeft, W. P. Nichols, Rev. E. C. T. Sterbenooll, Richard Tews, William Brown, Fred Grimm, Ernst Kruger, Martin Mussack, and other residents of Shawano County; and William F. Becker, F. William Strohschoen, and other residents of Marion, all in the State of Wisconsin, asking that House joint resolution 377, which prohibits the export of arms, ammunition, and munitions of war of every kind, be enacted into law; to the Committee on Foreign Affairs.

By Mr. BURKE of Wisconsin: Resolutions adopted by Home Order of Foresters, Court No. 1, of Sheboygan, Wis., and Schiller Lodge, No. 68, Independent Order of Odd Fellows, of Sheboygan, Wis., asking for the passage at this session of Congress of a law to enable the President to levy an embargo upon all contraband of war save foodstuffs only; to the Committee on Foreign Affairs.

By Mr. CALDER: Memorial of St. Wojciecha B. M. No. 211, of south Brooklyn, N. Y., and Abraham Goldfaden Lodge, No. 505, Independent Order B'rith Abraham, of New York, protesting against the passage of the immigration bill, H. R. 6060; to the Committee on Immigration and Naturalization.

By Mr. CARY: Petition of Richard Jaehnigen, William Rasche, Frederick Zahm, J. H. Thiesen, Gustav Kerlin, Eugene Schmidt, Frank Roth, G. Froberg, C. Schubert, A. Wenzel, Helmuth Gotwald, Max Drews, and 300 others, all residents of Milwaukee County, Wis., urging the passage of House joint resolution 377; to the Committee on Foreign Affairs.

By Mr. DILLON: Petition of citizens of Wakonda, S. Dak., and vicinity, protesting against shipment of war supplies by United States; to the Committee on Foreign Affairs.

Also, petition of citizens of South Dakota, favoring passage of House joint resolution 377, relative to shipment of munitions of war; to the Committee on Foreign Affairs.

By Mr. DONOVAN: Petition of citizens of Danbury, Conn., favoring House joint resolution 377, to forbid export of arms; to the Committee on Foreign Affairs.

By Mr. EAGAN: Petition of Consistory of the G. E. Church, of Hoboken, N. J., protesting against shipment of munitions of war by United States; to the Committee on Foreign Affairs.

By Mr. ESCH: Memorial of Anthony Piotrowski, president of Branch No. 6, Polish Alliance of America, and Martin Burzynski, president of Polish Alliance of America, Thorp, Wis., protesting against the literacy test in the immigration bill; to the Committee on Immigration and Naturalization.

Also, petition of Rev. C. F. W. Voges and 28 other citizens of Ridgeville, Monroe County, Wis., favoring passage of House joint resolution against shipment of munitions of war by United States; to the Committee on Foreign Affairs.

By Mr. GILMORE: Petition of Men's Bible Class of the Congregational Sunday School, of Sharon, Mass., relative to admission of Japanese immigrants; to the Committee on Immigration and Naturalization.

Also, petition of priests of diocese of Scranton, Pa., favoring exclusion of certain publications from the mails; to the Committee on the Post Office and Post Roads.

By Mr. HOXWORTH: Petition of citizens of the fifteenth Illinois district, favoring passage of House joint resolution 377; to the Committee on Foreign Affairs.

By Mr. KENNEDY of Rhode Island: Petition of Polish Falcons, of Central Falls, and To Po Sw Mi Ar 1180, Y. N. P., of Woonsocket; T. and W. Rycerze Polys Wladyslaw Kozlowski, of Providence; and Union Club, of Jamestown, all in the State of Rhode Island, protesting against the passage of the immigration bill; to the Committee on Immigration and Naturalization.

By Mr. KINDEL: Petition of Pueblo (Colo.) German and Austrian Widows and Orphans War Sufferers' Society, favoring bill to forbid export of arms; to the Committee on Foreign Affairs.

By Mr. KONOP: Petition of citizens of Florence, Wis., protesting against prohibition in District of Columbia; to the Committee on the District of Columbia.

Also, petitions of citizens of the ninth congressional district of Wisconsin, favoring passage of House joint resolution 377, relative to shipment of munitions of war by United States; to the Committee on Foreign Affairs.

By Mr. LEVY: Petition of citizens of New York City, favoring Palmer-Owen child-labor bill; to the Committee on Labor.

By Mr. LONERGAN: Petition of Andrew Oberz, president of Polish National Alliance Society, Glastonbury, Conn., protesting against the Smith-Burnett immigration bill; to the Committee on Immigration and Naturalization.

By Mr. MADDEN: Petition of citizens of Chicago, Ill., against Senate bill 6865, to prohibit sale of liquors in the District of Columbia; to the Committee on the District of Columbia.

By Mr. MAGUIRE of Nebraska: Petition of sundry citizens of Nebraska, favoring passage of Senate resolution 6683, relative to export of munitions of war; to the Committee on Foreign Affairs.

By Mr. MAHAN: Petition of sundry citizens of Norwich, Conn., and vicinity, favoring House joint resolution 377, relative to export of munitions of war; to the Committee on Foreign Affairs.

By Mr. METZ: Memorial of Holy Name Society of Our Lady of Lourdes parish, Brooklyn, and Brooklyn Diocesan Branch of the American Federation of Catholic Societies, and citizens of the tenth congressional district of New York, favoring legislation to bar from the United States mails publications that slander the Catholic Church; to the Committee on the Post Office and Post Roads.

By Mr. MURDOCK: Petition of citizens of Garden Plains, Kans., favoring the passage of House joint resolution 377; to the Committee on Foreign Affairs.

By Mr. J. I. NOLAN: Petitions of sundry citizens of San Francisco, Cal., favoring the passage of House joint resolution 377, prohibiting the export of munitions of war; to the Committee on Foreign Affairs.

By Mr. O'HAIR: Petition of citizens of Iroquois county, Ill., favoring House joint resolution 377, to forbid export of arms; to the Committee on Foreign Affairs.

By Mr. REILLY of Connecticut: Petition of citizens of the State of Connecticut, favoring the passage of House joint resolution 377, relative to export of munitions of war; to the Committee on Foreign Affairs.

Also, petitions of citizens of Wallingford, Conn., protesting against the passage of the immigration bill (H. R. 6060); to the Committee on Immigration and Naturalization.

By Mr. STEPHENS of California: Petition of board of supervisors of San Diego County, Cal., favoring plan of an appropriation for construction of a military road from Yuma; to the Committee on Roads.

Also, petitions of Emily G., Ella M., and Elizabeth W. Hunt, of Pasadena, Cal., protesting against shipment of American horses to European battle fields; to the Committee on Foreign Affairs.

Also, petition of San Francisco Camp, No. 4, National Indian War Veterans, San Francisco, Cal., favoring passage of the Keating bill to place Indian war veterans who served between 1865 and 1891 on regular Indian war veterans' pension roll; to the Committee on Pensions.

Also, petition of California Associated Societies for the Conservation of Wild Life, favoring passage of Rocky Mountain Park bill; to the Committee on the Public Lands.

Also, petition of Kullman, Salz & Co., of Benicia, Cal., relative to amendment to present tariff law; to the Committee on Ways and Means.

By Mr. VOLLMER: Petitions of 524 American citizens for the adoption of House joint resolution 377, prohibiting the export of war materials; to the Committee on Foreign Affairs.

Also, petition of the Clinton Turn Verein Vorwaerts, of Clinton, Iowa, comprising a membership of 312, to lay an embargo upon all contraband of war; to the Committee on Foreign Affairs.

Also, petition of the Vorwaerts Turn Verein, of Muscatine, Iowa, comprising a membership of 43, to lay an embargo upon all contraband of war; to the Committee on Foreign Affairs.

Also, petition of the Muscatine Mannerchor, Muscatine, Iowa, comprising a membership of 59, to lay an embargo upon all contraband of war; to the Committee on Foreign Affairs.

## SENATE.

THURSDAY, January 21, 1915.

(Legislative day of Friday, January 15, 1915.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

### THE MERCHANT MARINE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 6856) to authorize the United States, acting through a shipping board, to subscribe to the capital stock of a corporation to be organized under the laws of the United States or of a State thereof or of the District of Columbia to purchase, construct, equip, maintain, and operate merchant vessels in the foreign trade of the United States, and for other purposes.

Mr. SMCOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.



The Secretary called the roll, and the following Senators answered to their names:

Chamberlain	Lea, Tenn.	Reed	Stone
Clapp	Lee, Md.	Robinson	Swanson
Culberson	Lippitt	Root	Thomas
Dillingham	Lodge	Saulsbury	Thornton
Fletcher	Martine, N. J.	Sheppard	Vardaman
Gallinger	Norris	Sherman	Warren
Gronna	Owen	Simmons	Weeks
Hollis	Page	Smith, Ariz.	White
Jones	Perkins	Smith, Ga.	Williams
Kern	Ransdell	Smoot	Works

Mr. GRONNA. My colleague [Mr. McCUMBER] is unavoidably absent from the city. He is paired with the junior Senator from Kentucky [Mr. CAMDEN].

Mr. CLAPP. The senior Senator from Arizona [Mr. ASHURST] and the senior Senator from Wisconsin [Mr. LA FOLLETTE] are absent on official work of the Senate.

The VICE PRESIDENT. Forty Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. BRANDEGEE, Mr. BURTON, Mr. CAMDEN, Mr. CATRON, Mr. CRAWFORD, Mr. JOHNSON, Mr. KENYON, Mr. LANE, Mr. MARTIN of Virginia, Mr. OVERMAN, Mr. STERLING, Mr. SUTHERLAND, Mr. THOMPSON, and Mr. WALSH answered to their names when called.

Mr. BRISTOW, Mr. MCLEAN, Mr. BRADY, Mr. CLARK of Wyoming, Mr. ASHURST, Mr. HITCHCOCK, and Mr. LA FOLLETTE entered the Chamber and answered to their names.

The VICE PRESIDENT. Sixty-three Senators have answered to the roll call. There is a quorum present. The Senator from Massachusetts [Mr. WEEKS] is entitled to the floor.

Mr. MARTINE of New Jersey. Mr. President—

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from New Jersey?

Mr. WEEKS. I yield to the Senator from New Jersey for a question only. I can not yield the floor.

Mr. MARTINE of New Jersey. I have no desire to take the Senator from the floor, but I desire to make a statement of an occurrence which happened in my Commonwealth yesterday wherein a most horrible crime was committed.

Mr. WEEKS. Mr. President, I yielded for a question.

Mr. MARTINE of New Jersey. This is a question as to the right of humanity in this land of freedom.

Mr. WEEKS. I answer that by saying it is not a question put to me.

Mr. MARTINE of New Jersey. I wish to take the time of the Senate but a moment. I ask unanimous consent that I may be permitted to make the statement I desire, which will take but a few minutes, and I trust in the interest of humanity, decency, and justice no Senator will object.

The VICE PRESIDENT. Is there objection?

Mr. SMITH of Georgia. Regular order!

Mr. MARTINE of New Jersey. I regret that the Senator from Georgia has seen fit—

The VICE PRESIDENT. There is a call for the regular order, and the Senator from Massachusetts has the floor.

Mr. MARTINE of New Jersey. I trust the Senator from Georgia may be induced to withdraw his call for the regular order.

The VICE PRESIDENT. The Senator from New Jersey is certainly aware of the fact that when the regular order has been called for he has no right to proceed.

Mr. MARTINE of New Jersey. I realize that I have no right to proceed, and I am only requesting the Senator from Georgia to withdraw his demand for the regular order.

The VICE PRESIDENT. The difficulty is that when the Senator has no right to proceed he does proceed. The Senator from Massachusetts has the floor.

Mr. GRONNA. Mr. President—

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from North Dakota?

Mr. WEEKS. I yield to the Senator from North Dakota for a question only.

Mr. GRONNA. I wish to ask unanimous consent to submit a report.

Mr. WEEKS. That is not a question to me.

The VICE PRESIDENT. The Senator from Massachusetts has refused to yield the floor for any purpose save for a question.

Mr. GRONNA. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from North Dakota will state his inquiry.

Mr. GRONNA. My question is if the Senator from Massachusetts should yield to me to make a report and unanimous con-

sent is given, would it take the Senator from Massachusetts from the floor?

The VICE PRESIDENT. The Chair would rule that if there were unanimous consent given for that purpose, it would not take the Senator from Massachusetts from the floor nor should it count against the two addresses he is entitled to make upon this question. But the Chair thinks that the Senator from Massachusetts having refused to yield save for a question, that that is an objection to the reception of the report.

Mr. WEEKS. My only purpose in declining to yield is not to give up my right to the floor. I am quite willing that the Senator from North Dakota should make a request, if it does not in any way affect my right to continue my first speech.

Mr. GRONNA. Then, Mr. President, I ask unanimous consent to make a report from the Joint Commission on Federal Aid in the Construction of Post Roads.

The VICE PRESIDENT. Is there objection?

Mr. SMITH of Georgia. Mr. President, I did not hear the request.

The VICE PRESIDENT. The request is for unanimous consent to make a report.

Mr. SMITH of Georgia. I object, Mr. President.

The VICE PRESIDENT. There is an objection. The Senator from Massachusetts has the floor.

Mr. WEEKS. Mr. President, I notice in the press from day to day, in referring to the proceedings of the Senate, the general suggestion that a filibuster is being engaged in by Republican Senators. Speaking for myself alone, and I think perhaps I may properly speak for others, I want to say that Republican Senators are not engaged in a filibuster. This bill comes to the Senate under unusual circumstances and conditions. No hearings have been given on the bill, or at least no hearing since this particular measure was proposed. No opportunity has been given to the business organizations of the country to express their opinion either to the Senate or to committees. Those who have expressed their opinion, as I shall try to demonstrate later, have done so adversely to the legislation.

So Republican Senators are forced to take an unusual course in this matter, not on their own volition, but because of the narrow and technical position in which they are placed by the recent construction of the rules. It is not a fair and it is not a public-spirited way to discuss a great public question to impose upon Senators the necessity of talking for many hours. The way to discuss this question and get the facts would be to do it in the usual orderly way which has been followed in the Senate. Comparatively young Senators, like the senior Senator from Ohio and the junior Senator from Massachusetts, may be able to undergo the severe strain which is being imposed upon us; but it is not fair to those Senators who are not in as firm health, and it is not a businesslike way to proceed to insist that men who are not in firm health or who are not as young as some of us shall undertake to discuss this question under the conditions which are now being imposed.

What we are seeking to do is to call to the attention of the country legislation which we believe will be inimical to the best interests of the country. Speaking for myself and myself alone, there are two propositions in the pending bill which as long as I can interpose an objection will not be adopted by the Senate. One of them is the possibility of purchasing ships belonging to a belligerent nation and the other is the possibility of putting this Government into a transportation business of any kind.

I am entirely opposed to those two propositions. One of them is temporary, to be sure, and it may not get us into serious trouble. I do not know, and no Senator knows, what might result from the possibility of conflict in our foreign interests by purchasing the ships of a belligerent nation. That will be incident simply to the continuation of the European war; but the other is a question that will return to plague us as long as we are a Government. That is the precedent which is now being deliberately set, to put the Government into the ownership and the conduct of transportation companies.

We are not filibustering at all. We are trying to save the Democratic Party from itself under the conditions which exist, but more broadly we are trying to save the country from a policy which we believe will not only be ineffective in its results, disappointing to those who are contending for it, but which we also believe will possibly lead to a manner of conduct of affairs of transportation lines and other operations which will be very detrimental to the best interests of this country.

With that preliminary suggestion and with the positive denial that there is any attempt to do anything more than to get before the public the facts bearing on this case, I wish to take



up the matter which I was discussing when the Senate took a recess last night.

At that time I was suggesting that there were three possible ways of restoring our merchant marine. One by a very radical modification of the navigation laws. Personally I do not think very much more can be accomplished along those lines. We have been modifying them since 1912, and we have obtained no real result in a permanent way which is going to be beneficial to this cause. The only direction in which we have not modified the navigation laws is in those ways which will apply directly to the seafaring man who is going to sea, and personally I am not in favor of in any way modifying the standard which we have established. If anything, the standard should be raised rather than lowered. So, in my judgment, any further attempt to modify our navigation laws will not only be ineffective, but I do not think it can be done without injustice to those who are engaged in the conduct of such affairs.

The second proposition—the one I was discussing last night—relates to a subsidy in some form, either a subsidy pure and simple, or a mail subvention, or in some other way. I prefer a subsidy made directly to somebody, so that there is an absolute record of what the Government is doing, how much it is going to cost the Treasury, who is going to get the benefit of it, if anyone, rather than an indirect subsidy which, in effect, in my judgment, will be very much greater if any such scheme as that which we are now considering is put into operation.

I intend, Mr. President, to try to demonstrate that Government operation is not successful anywhere under any conditions. It is admitted by those who are the sponsors for this legislation that this operation is to be undertaken at a loss for a considerable time, and ten millions, as I understand, is being set aside really as a subsidy, but to make good any loss which is incurred. I do not think there will ever be any change in that condition. I do not think it will be possible to undertake Government operation and produce a profit under the conditions which will exist, so that the subsidy of \$10,000,000 will be continued until the end of the experiment which is being undertaken.

The way the world has dealt with this question, however, is entirely different. We are disinclined in every way to take the experience of others and apply that to our own needs. Why should we fly in the face of the experience of every nation which has developed a merchant marine anywhere at any time? No man can indicate an instance where there has been any other method followed in the development of a merchant marine than that of, in effect, a subsidy, though it may not be that in name or in form.

I was speaking last night of the conditions in Germany. Except in the east African service and the eastern service generally through the Suez Canal the German Government does not pay direct subsidies to its shipping; but the German Government pays greater subsidies to its shipping in many other ways than does any other nation that has developed great maritime interests. Its railroad rates are so constructed and arranged that the bringing of products of the German colonies to Germany in German ships and transporting them to the interior, if they are brought in German ships, is done at such a rate by the railroads of Germany that the methods provide a distinct, even a great, handicap on the products of any other nation delivered in the interior of Germany in the same way by the same general route, except in coming from German colonies or in German ships, and discriminations are made in a multitude of other ways.

I suggested last night as to the management and operation of the German railroads, and especially of the Prussian railroads, that they have been so conducted as to promote the purpose of the German nation in building up its harbors, its wharves, its docks, its shipping, its coal mines, its manufacturing industries by a thorough system of cooperation, not to say reciprocity, between these operations, which I do not advocate for this country, because I think it would produce all of the things which we have overcome as a result of our railway laws; but it has brought about a system of cooperation under Government direction which has been the means of making Germany one of the great maritime powers of the world.

Mr. HITCHCOCK. Mr. President—

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Nebraska?

Mr. WEEKS. I yield for a question.

Mr. HITCHCOCK. I have heard the statement made that it was possible to ship from one of the manufacturing centers of Germany to a point west of Chicago in the United States at a lower freight rate than prevails from New York to that same point in the United States. Does the Senator from Massachusetts know anything about that—whether there is any such plan

of subsidy or discrimination in the German railroads and with the German maritime service as to make that possible?

Mr. WEEKS. Mr. President, I have heard that statement; I have seen it frequently made, and undoubtedly it is true. In just what way I can not tell in any particular instance; but, as I suggested, two-thirds of the rates of the Prussian railroads are special rates; the general rate applies to a very moderate part of the traffic of those roads. The whole purpose has been in the case of foreign trade to develop the docks, the wharves, the harbors, and the shipping of Germany.

Now, I wish to take up the course followed by other nations. I referred last night briefly to Austria and to France and was discussing Germany. Italy pays the following subsidies under present conditions: To the National Co. of Maritime Service, \$1,840,000 annually. This line runs from Italy to India and to China. It pays to the Venetian Navigation Co. \$200,000 annually. This line runs from Venice to Calcutta. Those are subsidies that apply directly to the traffic through the Suez Canal, to put the shipping of this country on all fours with the shipping of Great Britain. In addition, there are navigation bounties, amounting to \$470,715, which are very largely paid to the National Co., to which I have just referred.

There are also construction bounties, fixed at a maximum of \$440,000 a year, and I think the maximum substantially is paid every year. Last year \$959,880 was allowed for construction bounties and losses due to customs dues on account of the remission of dues to various lines, a part of which applied to the National Co., to which I first referred, these lines all using the Suez Canal.

Japan in the year 1911 allowed \$1,617,440 as subsidies to steamers employed in the European service, in addition to which there are various kinds of bounties for construction, repairs, and so forth, which I will enumerate later.

The Netherlands in 1911 appropriated \$125,000 to the Java-Japan line, operating through the Suez Canal.

Portugal pays \$20,000 to a line plying between Lisbon and Portuguese East Africa. It will be noticed that all of these apply to Suez Canal traffic.

Russia in 1912 appropriated \$3,670,000 for the encouragement of its mercantile marine. Of this amount, between \$395,000 and \$445,000 was paid to Russian vessels using the Suez Canal, this being intended to be and confessed to be a sufficient amount to pay the tolls of those vessels through the canal. This is not, however, the entire amount which Russia pays to ships passing through the canal, because part of it is covered by navigation and other bounties.

Spain in the year 1911 paid a subsidy, based on speed, displacement, and mileage covered, to ships engaged in the Asiatic trade. The total bounty paid for service of this character by Spain in 1911 amounted to \$580,000, in addition to which \$148,650 was paid on account of shipbuilding bounties, some portion of which went to vessels engaged in trade through the Suez Canal.

Sweden has a considerable number of methods of encouraging its shipping trade, including postal subventions to steamship lines, bounties on shipbuilding, and other forms of giving assistance. In 1907 there was an authorized subsidy not to exceed \$102,000 to the Swedish East Asia Co. to meet the expenditures incurred by the company in payment of the Suez Canal dues. This has been reduced to \$83,330, the amount paid last year.

In Great Britain a similar method is followed as applied to those vessels using the Suez Canal. The Peninsular & Oriental Steamship Line, which runs a large number of ships to the East, is receiving at present \$1,650,000 in bounties, and it has had liberal assistance ever since the year 1840.

This method of assisting traffic through the Suez Canal is applicable to the traffic to other parts of the world as well as in general subsidies. For instance, Austria pays \$165,000 a year subsidy to a Brazilian line of steamers. In addition, the Austrian Lloyd, which has a fleet of about 70 vessels engaged in various trades, received a total, including mail subventions and subventions of various other kinds, in the year 1910 of \$1,750,000. The Belgian Government has another method of procedure—

Mr. BRISTOW. Mr. President—

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Kansas?

Mr. WEEKS. I yield for a question.

Mr. BRISTOW. I should like to inquire of the Senator why Austria would pay a subsidy to a Brazilian line? What would be the object of such a governmental policy as that?

Mr. WEEKS. Mr. President, the Senator misunderstood me. It is not a Brazilian line; it is a line from Austria to Brazil, owned and controlled by citizens of Austria. I may not have the exact facts at hand, but I think there are one or two in-



stances in which countries pay a subsidy to a line which is owned and controlled by citizens of some country of South America. I may come across the details of that, but there are few such instances.

Mr. BRISTOW. Mr. President—

Mr. WEEKS. I yield for a question.

Mr. BRISTOW. The Senator a few moments ago stated that one of the European nations was paying a subsidy of some character to a Japanese line. Do I understand that to be a line that runs to Japan, but not a line belonging to the Japanese people?

Mr. WEEKS. That is correct; it is a line in the Japanese trade, but controlled by the people of the country paying the subsidy.

Belgium has a different method of procedure. In one instance at least the Belgium Government remits all pilotage and other dues to vessels of what is known as the Cosmos Line, which is engaged in the South American trade.

The Brazilian Government has a contract, entered into on September 12, with certain Italian steamship lines—this may be the instance to which I wanted to call attention—the subsidy for this service being fixed at approximately \$20,000 per round trip, two-thirds of which is paid by the federal Government and one-third by the State government at Sao Paulo.

The Chilean Government pays a Chilean line of steamers \$40,000 a year for service along the west coast of South America, and gives the Pacific Steam Navigation Co., which is an English company, valuable facilities for the discharge of cargo at the Government wharves in Valparaiso.

I hope I will not overlook one of the conditions which is embarrassing the trade of to-day much more than not having sufficient tonnage at some particular port to carry the cargo which may be offered, and that is the lack of facilities to discharge cargo when vessels reach their destination. I have had called to my attention within two or three days the fact that one day last week, at Genoa, which is the most important of the Italian ports, every grain warehouse was filled with grain, every dock was occupied by grain-carrying ships, and there were 47 ships lying at anchor in the harbor waiting to discharge. Senators must not overlook the fact that the great cost of transportation is not alone due to the dangers incurred in the service, the possibility of a ship being blown up or of being delayed for search purposes or otherwise, but is due to the delay in loading and unloading.

Perhaps at this point I may as well refer to that a little more in detail. This is an editorial from the New York Times of yesterday, which reads as follows:

Washington dispatches say that the Senate committee is putting the "finishing touches" upon the Government shipping bill.

I am glad to see progress being made in putting touches on this bill, which will make it, I hope, a measure which everyone on both sides of the aisle who desires to build up a merchant marine may be able to support. I hope the conferences of the Senators who control this legislation may be continued and that they may be led to see the light by continuing to put on these "finishing touches," to make it not only a reasonable measure but one which will produce the results which every American citizen desires.

To go on reading from this editorial:

That seems superfluous for two reasons: The action of the caucus was almost fatal, and the trade returns published yesterday ought to be quite so. An increase of exports in December, 1914, over the figures of December, 1913, by \$13,070,419 indicates no such deficiency of shipping that the Government should intervene to supply it at the cost and risk of the taxpayers.

That is true also of the year's total exports, which have been exceeded but twice. The excess of exports over imports by the great sum of \$131,863,077 surpasses every previous December, and has been equaled only in a single month in the Nation's history. The fact is that only one considerable class of exports might have been increased by shipment in Government boats. A Government line might have carried contraband in ships acquired from belligerents more freely than privately owned shipping. But that way of making trouble will hardly be proposed as a reason for proceeding with the Government line. Those who have our moral approval of their contentions are in control of the seas and can get all the contraband they need. To supply contraband at a profit to those who on the merits we think ought not to win this war, questions of friendship apart, is not a duty of government.

It is especially fatuous to provide Government shipping, or private shipping with Government aid, when the necessity of the case is not so much shipping as facilities for loading and unloading. To the facts on this point as given by carriers' spokesmen on this side of the ocean may now be added incontestable evidence from the other side. Twenty-one vessels arrived at Liverpool last Thursday, and not one of them was able to get a berth to discharge its cargo. Sir Norman Hill, in an official report on the situation, said:

"The main cause, beyond question, is the shortage of labor, not only on the quays but in the transport services, by which the quays are cleared."

It would be idle to add to such congestion by providing more ships. The trouble is not one of trade but of war. Some ports are closed, throwing more business upon others than they could do in favorable

times. Many dock laborers have enlisted and others are earning such high wages that they are independent. Commerce is not running in accustomed lines. Strange boats are on unfamiliar routes and require more attention than liners running on routine. If any Government should intervene, it is not ours. We are shipping full volumes of goods at our own prices, and the freight is paid by the buyers. They should worry, not we. We should worry only if those who are more eager than wise should thrust us into an experiment which is not only unnecessary in a commercial sense but is obnoxious politically. No Democrat can keep the name and support a subsidy scheme concealing Government ownership and operation. In proportion as the "finishing touches" meet these objections the bill will lose attractiveness to those who now support it because of these defects.

I have more evidence, which I will offer later, about the incompleteness of the facilities for handling traffic at both ends of the line. It is an important element to consider, quite as important as the question of ships, and would not be in any way remedied if we bought all the ships in the world.

I now continue the statement about the subsidies paid by European nations:

France pays for the Brazil and River Plate service \$260,000 annually for postal subventions, and \$995,600 annually for postal subventions to the West Indies, in addition to which \$80,000 is added for the Mexican postal service. This includes a speed bounty. It pays \$2,215,000 annually for the New York and West India service. This is in addition to construction and other bounties which are paid, a portion of which should apply to the vessels in this North American service.

The German lines' preference to Central and South American ports is included in preferential railway rates on German State railroads for all classes of goods.

Italy pays the Genoa-Central American Line \$100,000 annually, in addition to which there are large bounties paid for navigation, construction, and repairs; the total bounties for these purposes paid in the year 1912 being \$4,065,000.

I wish to emphasize the conditions under which the Japanese have developed a very great tonnage in a few years by what seems extravagant bounties. Japan paid, in 1911, \$2,330,000 direct bounties for North American lines, and \$372,560 bounties to South American lines, in addition to large amounts in other forms of subsidies, which included, in 1911, \$5,584,000 for the extension of steamship routes, \$840,000 for the encouragement of navigation, \$563,000 for the encouragement of shipbuilding, \$2,500 for the training of seamen, and \$10,000 for subsidy to lifeboats, a total in the year 1911 of more than \$7,000,000. Taking into account the relative resources of Japan and the United States, with similar encouragement, we would pay three or four times that amount of bounty annually, which would be sufficient to buy all the ships which are being considered under the provisions of this bill.

The Mexican Government paid for subsidies to steamship lines in the year 1911 a total of \$275,000, which includes \$100,000 for service between Canadian and Mexican ports on both coasts; \$96,000 to the Pacific Navigation Co., an English company; and other smaller amounts to different steamship lines.

The Netherlands Government pays a direct subsidy to the Royal West Indian mail service of \$30,000 annually.

The Peruvian Government pays \$150,000 per annum to the Peruvian Steamship & Dry Dock Co. for various services, including the use of the company's steamers as auxiliaries in case of war.

That is one of the propositions that is pending before the Senate, and in a tentative way before the House—the necessity of providing our Navy with suitable auxiliaries to be used during war.

Mr. BRISTOW. Mr. President—

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Kansas?

Mr. WEEKS. I yield for a question.

Mr. BRISTOW. Will the Senator please state the difference between the pending measure and the bill which he introduced, and which was finally passed some time last year, providing for additional ships for our Navy to be used in commerce?

Mr. WEEKS. Mr. President, the bill to which the Senator from Kansas refers was a general proposition to take those ships of the Navy which might be available for the purpose, and establish a line from the east coast of the United States first to the west coast of South America, with the hope of gradually supplementing that line by the construction of merchant ships, ships which would be available for cargo carrying, and at the same time available for use by the Navy in case of war. That is a very different proposition from putting the Government directly into the transportation business. That was a temporary measure, the purposes being to develop auxiliaries for the Navy in the first place, and to encourage those shippers engaged in the transportation business to take up



this question with the Government, and try to have provided suitable ships for the two purposes to which I have referred.

Mr. BRISTOW. Mr. President, if I understand the Senator correctly, I should like to make a further inquiry about the bill which the Senate passed something like a year ago, and to which he has referred, providing for the construction of ships and the acquiring of ships for the Navy to be used for the purpose of developing commercial routes. While the method is different, if that bill had been enacted, and the Government had proceeded under its provisions, would it not have accomplished what is sought to be accomplished by the present measure?

Mr. WEEKS. It would have been a step in that direction, without any doubt. That bill is lying dormant in the Naval Affairs Committee of the House.

Mr. BRISTOW. Does the Senator know whether the same committee that reported this bill has that bill now in its possession?

Mr. WEEKS. No; it has not; because that bill went to the Naval Affairs Committee. The committee that reported a bill similar to this—the Alexander bill, as it is called—is the Merchant Marine Committee of the House. They are entirely different committees.

Mr. KENYON. Mr. President, does the Senator remember about when that bill was passed?

Mr. WEEKS. It was about a year ago, I should say.

Mr. KENYON. It has been lying dormant about a year?

Mr. WEEKS. I should think so; just about a year.

Spain pays two lines of steamers—the North of Spain, sailing to Cuba and Mexico, and the other sailing from Mediterranean ports to New York, Cuba, and Mexico—a subsidy based on sailings, speed, distance, and displacement of ships, in addition to which it pays shipbuilders bounties in various forms.

Great Britain pays to the Royal West India Service or Steamship Co. \$400,000 annually; to the Pacific Co., operating to Central and South American ports, \$162,000 annually, to which additions have been recently made to cover the west-coast service on the opening of the Panama Canal. Furthermore, Great Britain has aided its shipping in many other ways, incidentally in loaning to the Cunard Line the money necessary to build the *Lusitania* and the *Mauretania* at 4 per cent, I think, which enabled the construction of those great steamers, of course, with the proviso that they could be withdrawn from the Cunard service at any time in case of war, when they might be needed for the purposes of the Government.

I have taken some time to give some details relating to subsidies which are paid by European nations to show that there has been no variation in the methods followed by all other countries, our commercial rivals and others, in developing such merchant marines as they have. I take it for granted that every Senator is desirous of doing something which will be effective, businesslike, and reasonable in the way of aiding our merchant marine. What I am contending is that we are throwing away the experience of the rest of the world; that we are undertaking a policy which was never undertaken under the sun; that there is no precedent of any kind for it; that no one has had an opportunity to appear before the committees of the Senate and the House and express his views on this bill; that the opinion of those who are entitled to have their opinion considered in such matters has not been asked; and that there is no evidence, either before the Senate or before any committee of the Senate, which warrants the passage of this bill. On the other hand, Mr. President, I am going to try to demonstrate that there is universal criticism and objection to what we are about to do.

I do not know where the proposal for making this kind of an appropriation originated, but I want to quote from the President on that subject.

Mr. BRISTOW. Mr. President—

The PRESIDING OFFICER (Mr. HARDWICK in the chair). Does the Senator from Massachusetts yield to the Senator from Kansas?

Mr. WEEKS. I yield for a question.

Mr. BRISTOW. Before the Senator goes into that subject I wish to make an inquiry of him. I can not get out of my mind the bill that we passed about a year ago. Has the Senator any information as to why that bill which we passed and which provided that the Government might build these ships or acquire them for naval purposes and use them in commerce, has been permitted to sleep for a year without any action being taken on it by the committee?

Mr. WEEKS. I do not know.

Mr. BRISTOW. Can the Senator tell us why he thinks no attention should be paid to a measure that has already passed the Senate and another measure such as the one we have now

brought forward and its passage insisted with such impetuous haste as is being demanded now?

Mr. WEEKS. One of the purposes I had in introducing the bill to which the Senator refers was to have the moral effect of a line of American steamships from the Atlantic coast to the west coast of South America in operation the day the canal was opened. I believed that it would be something which would appeal to the pride of Americans to feel that we were really going to do something besides talk in developing trade with South America; and while I did not believe, and I do not believe now, that there are on the Navy Register ships that would conduct that traffic at a profit, there are a considerable number of vessels which could be used temporarily for that purpose, and those vessels are, most of them, tied up at the docks and of little service in ordinary times.

One of the best features of the general proposition, which I think the Senator from Kansas favors and which I do, the building up of auxiliaries for the Navy, is that those auxiliaries instead of being idle nine-tenths of the time—I hope for all time, as far as war is concerned—may be turned over to private management to help out the trade of the world. It would not be idle capital. Even if the return were a minimum received by the Government, they could be put to some useful commercial purpose.

Now, to go on with the Senator's general suggestion, I think no doubt that there is great pressure being brought by those who own or control the ships belonging to or flying the flag of a belligerent power to sell ships. You can hear rumors any day about the prices at which the ships interned in New York can be purchased. I have heard it said that there were three prices, and that when the trade was made, if the Government bought any of those ships it would be paying the maximum of the three prices; that there was a large commission to be paid to somebody in some way if that were undertaken.

I confess that this is all rumor. I do not know that there is anything definite about it, but it is natural when a proposition appears which is going to put \$30,000,000 in the hands of somebody to spend for some purpose that there should be pressure to promote that proposition, and the pressure would naturally come from those who had something to sell.

Mr. BRISTOW. Mr. President—

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Kansas?

Mr. WEEKS. I yield for a question.

Mr. BRISTOW. Will the Senator please state what those three prices were and the basis upon which they were alleged to be made?

Mr. WEEKS. I can not name the prices. I am not in the secret of those, if there are such, who have options on those steamers; but the intimation was made here that there was a price at which the owners of the ships were willing to sell, that they were to be transferred to somebody and a commission paid, and then the hope that the Government would buy them and another commission be paid.

Mr. BRISTOW. Does the Senator think that could account for the failure to enact into law the bill which the Senate passed something like a year ago providing that our naval auxiliaries and others to be constructed should be put into this commerce, there being no commissions involved in that case, and that that is the reason why that bill is permitted to sleep while the one fruitful of commissions is pushed forward to passage?

Mr. WEEKS. The Senator's experience and his imagination are as great as my own. That is a conclusion that would be reached if we followed previous conduct in such transactions. It may be possible that it is so.

But I want especially now, while I think of it, to call the attention of the Senate to this fact: If the Government is going to buy ships under present conditions, it is either going to buy the ships of belligerents with the possibility of foreign complications at the same time or else it is going to buy shipping which is now engaged at its maximum capacity in the trade of the world.

There is no ship of a neutral power to-day which is not employed to its limit. It is not going to add one single ton to the carrying capacity of the world's traffic. It goes without saying that this shipping being employed and there being a great demand for ships of neutral nations the rates are high. They are high for very many reasons, but because they are high those who have ships undoubtedly are reaping a harvest under the conditions which prevail.

Now, Mr. President, does any one think under those conditions the Government can go into the general market and buy ships at a reasonable price, at a normal price, or at a price at which those ships might sell if it desired to transfer them six



months or a year after the war had been ended? Of course we are going to buy at excessive prices. The Government always pays enough for things, but under these circumstances we will pay extraordinary prices, and there will be great depreciation resulting as soon as the emergency has passed. Now, to illustrate that—

Mr. BRISTOW. Can the Senator inform the Senate as to what prices were paid for the ships which we had to have during the Spanish-American War, and what those ships were afterwards sold for?

Mr. WEEKS. That is what I have in my hand as an illustration.

Mr. SUTHERLAND. Mr. President—

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Utah?

Mr. WEEKS. I yield for a question.

Mr. SUTHERLAND. Before the Senator passes to that, I wish to ask him a question. I understood the Senator to intimate a moment ago that options are in existence for the purchase of some of these interned ships.

Mr. WEEKS. I want to make that clear. I said there were rumors that there are such options. I have heard from two or three sources that there are individuals who hold options on the interned ships.

Mr. SUTHERLAND. I understand the only ships which are interned are German and Austrian ships?

Mr. WEEKS. German ships very largely; I presume there are some Austrian ships.

Mr. SUTHERLAND. As I understood the Senator, the option is held by individuals?

Mr. WEEKS. Yes.

Mr. SUTHERLAND. For the purchase of those ships?

Mr. WEEKS. That is what I have been told.

Mr. SUTHERLAND. And very likely in anticipation of a bill of this character?

Mr. WEEKS. That would seem to be a natural conclusion.

Mr. President, in 1898, when we suddenly found ourselves in a state of war with Spain, it was necessary to transport our troops to Cuba and it was necessary to furnish supply ships to accompany our fleet. We had no transports at that time worthy of the name. We had no supply ships, no fuel ships, no repair ships. All of those necessities had to be supplied.

I was personally familiar with the methods which were followed by those who had to do with the purchase of suitable ships. I know they made a great effort to protect the Government's interest and to buy vessels that would be of use to the Navy after the war was over. I have in my hand a complete list of the ships which were purchased at that time. I will put the list in the RECORD, with the permission of the Senate, but I want to comment on it before doing so.

Among the 113 vessels purchased was the *Alicia*, renamed the *Hornet*. The purchase price was \$117,500. She was sold within a few years of the termination of the war for \$5,100. I hope Senators will pay attention to the depreciation in the prices paid for these ships which were purchased under those circumstances.

The *Niagara*, a commerce carrier, purchased for \$200,000, sold within two or three years of the close of the war for \$75,563.

The *Zafro*, a yacht, I think used as a converted yacht; purchase price, \$87,597; sold for \$3,300.

The *Fearless*, her Navy name was the *Iroquois*; purchase price, \$150,000; sold for \$4,653.86.

The *Vulcan*; purchase price, \$350,000; sold for \$175,750.

Mr. FLETCHER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Florida?

Mr. WEEKS. I yield for a question.

Mr. FLETCHER. I will ask the Senator if he can specify the dates of those sales?

Mr. WEEKS. I can not give the exact dates, but every one of these sales was made before 1907, within nine years of the termination of the war, and most of them very soon after the war ended. But I have not the dates.

The *Chatham*; purchase price, \$350,000; sold for \$175,750; a good ship.

The *Scindia*, renamed the *Ajaw*; purchase price, \$267,657; sold for \$20,521.27.

The *Governor Russell*; purchase price, \$71,000; sold for \$25,000.

*East Boston*, purchase price, \$57,500; sold for \$38,091.

The *Scipio*, purchase price, \$85,769; sold for \$41,550.

The *Inca*, purchase price, \$35,000; sold for \$1,800.

The *Eugenia*, renamed the *Siren*, purchase price, \$40,000; sold for \$2,352.50.

Mr. NELSON. Mr. President—

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Minnesota?

Mr. WEEKS. I yield for a question.

Mr. NELSON. Were those vessels purchased by the Government?

Mr. WEEKS. Those vessels were purchased by the Government at the beginning or during the Spanish-American War.

Mr. NELSON. How many did we purchase?

Mr. WEEKS. One hundred and thirteen, I believe.

Mr. NELSON. Vessels?

Mr. WEEKS. Yes.

Mr. NELSON. And have we disposed of all of them?

Mr. WEEKS. No. There are at this time some of them on the Navy list. Many of them are on the Navy list. A few of them were transferred to the Army for transport service.

Mr. NELSON. Has the Senator the figures showing the aggregate amount of those which have been sold, what we paid for them, and what we lost in the sale?

Mr. WEEKS. I am going to put into the RECORD some information on that subject.

Mr. BRISTOW. Mr. President—

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Kansas?

Mr. WEEKS. I yield for a question.

Mr. BRISTOW. May I ask the Senator to give the date of the sale and purchase, as nearly as can be done, when he puts the list in the RECORD?

Mr. WEEKS. All the purchases were made during the summer of 1898, probably between the 1st of March and the 1st of September.

The *Bristol*, renamed the *Cheyenne*, purchase price, \$20,000; sold for \$1,690.

The *Shearwater*, purchase price, \$26,000; sold for \$1,536.

The *Pedro*, renamed the *Hector*, purchase price, \$200,000; sold for \$65,150.

Curiously enough, Mr. President, more of these vessels have foundered at sea than all other classes of vessels in the recent history of the Navy, indicating that they were not very seaworthy craft.

Mr. NELSON. Will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Minnesota?

Mr. WEEKS. I yield for a question.

Mr. NELSON. From whom were those vessels, as a rule, purchased?

Mr. WEEKS. They were very largely—almost entirely—vessels that were engaged in the coastwise trade, although quite a number of them were yachts and were converted. For instance, the *Gloucester*, which was distinguished at the battle of Santiago, was a converted yacht.

Mr. NELSON. Were any of them purchased from foreign owners or foreign Governments?

Mr. WEEKS. Only in two instances, and those vessels are still on the Navy list. They were men-of-war. One was purchased from Brazil and the other was purchased from England. I was saying that there has been a strange fatality in the case of these vessels which would seem to indicate that they were not over seaworthy at best. For instance, the *Nezinscot*, which was a tug, foundered at sea. The *Yankee*, which was formerly the *El Norte*, of the Morgan Line, a large ship used as an auxiliary cruiser during the war, costing \$575,000, foundered at sea.

The *Yosemite*, formerly the *El Sud*, of the Morgan Line, purchased at the same price, foundered at sea.

The *Marcellus*, formerly the *Titania*, renamed the *Marcellus*, a large ship, foundered at sea.

I think there were one or two others, but certainly there are four or five such on the list. I have not the figures before me, but at one time I figured the percentage of loss on the vessels which were purchased under those conditions and later sold.

It will be noted from what I have read that hardly one of them was sold for 50 per cent of its cost, and in many cases they did not bring 25 per cent of the cost. So if the total amount that was paid for these vessels, aggregating something like \$17,000,000, had been realized when sold and vessels built for the purpose for which these vessels are being used had been constructed, we undoubtedly would have saved in the transaction as many as \$10,000,000. That shows conclusively the effect of undertaking something as an emergency measure to meet a condition which existed at that time. The condition now is temporary, and will not be in evidence when any ships that can be provided now are ready for service.

Mr. BRISTOW. Mr. President—



The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Kansas?

Mr. WEEKS. I yield for a question.

Mr. BRISTOW. May I ask the Senator how many of these vessels now belonging to the Navy or the Army could be used for commercial business in the event that that was desired?

Mr. WEEKS. Mr. President, all these vessels are now comparatively old. It is 17 years since the Spanish War. If the charge-off for depreciation had been made in these cases from 3 to 5 per cent a year—it should be 5 per cent probably for vessels of this character—17 years would make 85 per cent.

Mr. BRISTOW. May I ask the Senator how many vessels now owned by the Navy or the Army that are not in use could be used for commercial purposes? How many does the Government own now that could be used for that purpose?

Mr. WEEKS. It owns about 90 of the vessels that were purchased at that time. I will put into the RECORD the complete list. The Navy Register shows the list, their tonnage, and the purposes for which they are used. Some of them are tugs. Some of them were converted yachts and are laid up much of the time, and some of them were cargo-carrying ships and are used as auxiliary cruisers to-day.

Mr. BRISTOW. How many of these ships would be suitable for the over-seas trade?

Mr. WEEKS. I think very few of them. As I was saying a moment ago, these ships are now at least 17 years old, and if the Government had followed the course pursued by private companies and had charged off 5 per cent a year, that would be 85 per cent of the total cost. Of course they are not worth to-day anything like the price which was paid for them. Even assuming that they have been kept in good condition, they have depreciated on account of age.

Mr. BRISTOW. How many of the vessels that the Government owned, either those or any others, could be equipped and put in the service as cargo-carrying vessels?

Mr. WEEKS. Mr. President, under the head of fuel ships in the Navy list there are 23 vessels having a displacement of from 4,000 to 19,000 tons. I think it would be fair to say that those 23 vessels, or at least most of them, might be useful as cargo carriers, or might be used; I will not say usefully or effectively.

Mr. BRISTOW. Would the ships which have been under lease, which have been chartered, and which have been lying around the ports, for which I understand the Government has been paying \$100 or \$200 a day, or something like that, be available for a commercial line?

Mr. WEEKS. Will the Senator name one ship of the kind to which he refers?

Mr. BRISTOW. I do not know the names of the ships. The Senator from Massachusetts will remember that during the controversy here over an appropriation bill it was alleged that a large number of ships were tied up, that they were not being used, for which the Government was paying charter charges. My inquiry is, could those ships be used commercially; that is, could the President use those ships to establish a commercial line as well as charter them and not use them?

Mr. WEEKS. I do not know about that, Mr. President. I do not recall the vessels, and I do not recall the purpose for which they were chartered.

Mr. BRISTOW. I was inquiring as to the vessels chartered in connection with the Mexican trouble.

Mr. WEEKS. I recall now that there were some vessels chartered at that time; I do not know whether or not they are now under charter; I presume they are not; but they were provided for transport purposes and were used, I think, in transporting our troops from Texas to Vera Cruz.

Mr. BRISTOW. The Senator doubtless does not remember. I was inquiring about the number of vessels which were chartered that had not been used. The statement was made that a large number of such vessels were chartered and not used. My inquiry was whether the President would have authority to use for this purpose the vessels which were chartered and were not being used, instead of asking Congress to provide for the purchase of vessels.

Mr. WEEKS. If there are such vessels, I have no doubt the President would have the right to use them for these purposes at this time or for some purpose that would be useful; but I am not informed about their names or their capacity. I will, however, put the list to which I have referred into the RECORD. It is an excellent example of what will happen if we undertake to buy cargo-carrying vessels under the conditions which now exist.

The VICE PRESIDENT. Without objection, the list referred to by the Senator from Massachusetts will be inserted in the RECORD. The Chair hears none.

The list referred to is as follows:

List of vessels purchased for use during War with Spain, purchase price, final disposition of each, and selling price where sold.

Name before purchase.	Renamed.	Purchase price.	Disposition.
Columbia.....	Wasp.....	\$95,000	Still in Navy.
Alicia.....	Hornet.....	117,500	Sold, \$5,100.
Almy.....	Eagle.....	110,000	Still in Navy.
Hermione.....	Hawk.....	50,000	Do.
D. C. Ivins.....	Nezinscot.....	30,000	Foundered at sea.
P. H. Wise.....	Sioux.....	25,553	Still in Navy.
Winthrop.....	Osceola.....	100,000	Do.
El Toro.....	Accomac.....	40,000	Do.
Wilmet.....	Potomac.....	125,300	Do.
Edward Luckenbach.....	Tecumseh.....	45,000	Do.
Walter Luckenbach.....	Uncas.....	75,000	Do.
Atlas.....	Wompatuck.....	65,000	Do.
Josephine.....	Vixen.....	150,000	Do.
Mayflower.....	Mayflower.....	430,000	Do.
Sovereign.....	Scorpion.....	300,000	Do.
Creole.....	Solace.....	600,000	Do.
Diogenes.....	Topeka.....	170,327	Do.
(Not named).....	Manly.....	24,250	Do.
Do.....	Somers.....	72,997	Do.
Saturn.....	Saturn.....	200,000	Do.
Lebanon.....	Lebanon.....	225,000	Do.
El Norte.....	Yankee.....	575,000	Foundered at sea.
El Rio.....	Dixie.....	575,000	Still in Navy.
El Sol.....	Prairie.....	575,000	Do.
El Sud.....	Yosemite.....	575,000	Foundered at sea.
Nitcheroy (El Sid).....	Buffalo.....	575,000	Still in Navy.
Amazonas.....	New Orleans.....	1,429,215	Do.
Almirante Abreu.....	Albany.....	1,205,000	Do.
Merrimac.....	Merrimac.....	342,000	Sunk, Santiago, Cuba.
Niagara.....	Niagara.....	200,000	Sold, \$75,563.
Sterling.....	Sterling.....	190,000	Still in Navy.
Enterprise.....	Modoc.....	30,000	Do.
No. 18.....	No. 18.....	2,800	Lighter.
Nanshan.....	Nanshan.....	155,728	Still in Navy.
Zafiro.....	Zafiro.....	87,597	Sold, \$3,300.
Alice.....	Alice.....	19,000	Still in Navy.
C. G. Coyle.....	Choctaw.....	82,500	Do.
Penwood.....	Powhatan.....	42,500	Do.
Fearless.....	Iroquois-Ionie.....	150,000	Sold, \$4,653.86.
Vigilant.....	Vigilant.....	60,000	Still in Navy.
Active.....	Active.....	75,000	Do.
Hercules.....	Hercules.....	40,000	Do.
Southery.....	Southery.....	100,000	Do.
Venezuela.....	Panther.....	375,000	Do.
Yumuri.....	Badger.....	367,000	Transferred to War Department.
Yorktown.....	Resolute.....	475,000	Do.
T. P. Fowler.....	Mohawk.....	44,000	Still in Navy.
Tespie.....	Hist.....	65,000	Transferred to War Department.
Restless.....	Restless.....	29,000	Still in Navy.
Ilawara.....	Oneida.....	60,000	Do.
Viking.....	Viking.....	30,000	Transferred to War Department.
Chatham.....	Vulcan.....	350,000	Sold, \$175,750.
Penelope.....	Yankton.....	125,000	Still in Navy.
Right Arm.....	Pontiac.....	30,000	Do.
Philadelphia.....	Peoria.....	100,000	Do.
Corsair.....	Gloucester.....	225,000	Do.
Nememsha.....	Iris.....	145,000	Do.
John Dwight.....	Pawnee.....	25,000	Do.
Justin.....	Justin.....	145,000	Do.
Hortense.....	Takoma-Sebajo.....	28,000	Do.
Alleen.....	Alleen.....	55,000	Do.
Scindia.....	Scindia-Ajax.....	267,657	Sold, \$20,521.27.
Comanche.....	Frolic.....	115,000	Transferred to War Department.
Illinois.....	Supply.....	325,000	Still in Navy.
Kingtor.....	Caesar.....	175,194	Do.
Dorothea.....	Dorothea.....	187,500	Do.
Gov. Russell.....	Gov. Russell.....	71,000	Sold, \$25,000.
East Boston.....	East Boston.....	57,500	Sold, \$38,091.
W. H. Brown.....	Piscataqua.....	130,000	Still in Navy.
J. D. Jones.....	Apache.....	54,510	Do.
Celtic King.....	Celtic.....	340,900	Do.
Rhætia.....	Cassius.....	169,594	Transferred to War Department.
A. W. Booth.....	Massasoit.....	30,000	Still in Navy.
Joseph Holland.....	Hannibal.....	147,941	Do.
Atala.....	Alexander.....	206,826	Do.
Eliz. Holland.....	Leonidas.....	147,941	Do.
Harlech.....	Pompey.....	111,929	Do.
Abarenda.....	Abarenda.....	175,000	Do.
(Not named).....	Scipio.....	85,789	Sold, \$41,550.
Peter Jebson.....	Brutus.....	215,000	Still in Navy.
No. 55.....	Water barge No. 1.....	24,000	Do.
Whitgift.....	Nero.....	215,000	Do.
Norse King.....	Rainbow.....	176,576	Do.
Enquirer.....	Enquirer.....	80,000	Transferred to War Department.
Inca.....	Inca.....	35,000	Sold, \$1,800.
Huntress.....	Huntress.....	27,500	Still in Navy.
Stranger.....	Stranger.....	75,000	Do.
Kate Jones.....	Seminole.....	25,000	Transferred to War Department.
Bristol.....	Cheyenne.....	20,000	Sold, \$1,600.
Eugenia.....	Siren.....	40,000	Sold, \$2,352.50.
Elfrida.....	Elfrida.....	50,000	Still in Navy.
No. 255.....	Sylph.....	50,000	Do.
Shearwater.....	Shearwater.....	28,000	Sold, \$1,536.
Sylvia.....	Sylvia.....	25,000	Still in Navy.
Hercules.....	Chickasaw.....	15,000	Do.
Confidence.....	Waban.....	20,000	Do.



List of vessels purchased for use during War with Spain, etc.—Contd.

Name before purchase.	Renamed.	Purchase price.	Disposition.
Kanawha.....	Kanawha.....	\$50,000	Transferred to War Department.
Pedro.....	Hector.....	200,000	Sold, \$65,150.
Port Chalmers.....	Glacier.....	340,550	Still in Navy.
Titania.....	Marcellus.....	90,000	Foundered at sea.
Refrigerator ship.....	Culgoa.....	247,704	Still in Navy.
Luciene.....	Arethusa.....	218,992	Do.

Mr. WEEKS. A little time ago I was referring to the reasons for this legislation.

Mr. FLETCHER. May I ask the Senator a question at that point?

Mr. WEEKS. I yield for a question.

Mr. FLETCHER. The Government would not be under the necessity that it was at that time for hastening the acquisition of ships with which to transport troops. Any cause for hurry like that would have passed; there would be no occasion of that sort for being pressed immediately into the necessity of acquiring ships; and no such advantage could be taken of the situation by others who might desire to sell ships to the Government.

Mr. WEEKS. Mr. President, I understand there are two reasons assigned for the passage of this legislation—one is to establish a permanent policy, which is bad, and the other is to provide for an emergency. The emergency exists in but two possible kinds of traffic—one is the transportation of grain to European ports and the other is the transportation of cotton. I think Senators must have overlooked the fact that the emergency in both of those cases will probably have passed before there will be any possibility of making suitable purchases of ships for the carriage of such cargoes.

We have shipped 54,000,000 bushels more grain up to a date within two or three days this year than we shipped last year, and substantially that amount more than we have ever shipped, which shows that there has been a very considerable amount of carrying capacity. By the middle of March—that is, within six weeks, and I hope before this bill can be passed—the necessity for the transportation of last year's crop of grain will have entirely passed, because the present transportation facilities afforded by the ships which are now engaged in that service will have carried to the other side every bushel of grain that we shall have to export.

The only other emergency is the carrying of cotton. The ships which will be released from the grain-carrying trade as soon as about 75,000,000 bushels more grain have been transported will be available for the carrying of cotton. In the meantime cotton is moving pretty freely, and within two or three months even that emergency will have passed. Before we can possibly provide any kind of fleet, even by purchase, the emergency which is supposed to now exist will have passed. So we may eliminate any excuse for the passage of this bill for that reason.

I will merely say, in addition to that, Mr. President, that, in my judgment, there will be a very considerable amount of idle tonnage as soon as the wheat and the cotton which we have to send to the other side shall have been delivered to its purchasers; that there will be more shipping than is required for the trans-Atlantic service; and, in any case, this bill, as an emergency proposition, is not going to add, as I have said before, one ton of additional shipping to the amount which now exists.

Referring once more to the reasons for urging this legislation, I want to quote from the President's Indianapolis speech. In referring to the minority Senators he said:

These self-styled friends of business, these men who say the Democratic Party does not know what to do for business, are saying that the Democrats shall do nothing for business.

Incidentally I want to say in passing, Mr. President, that I do not believe there is a Senator on this side of the Chamber who is not in favor of doing what he believes will really inure to the best interests of the business of this country; but Senators are not going to be deluded into doing something which they believe will be inimical to business under the guise of benefiting it. They must use their own judgment as to what will be really beneficial when the legislation is submitted to them.

I challenge them to show their right to stand in the way of the release of American products to the rest of the world.

Well, I have just referred to the shipping of American products, and have stated that we have exported more than ever before of one of the great products, and we are in the way of

shipping more of another product. Nobody wishes to stand in the way of a reasonable proposition to relieve those conditions.

Who commissioned them, a minority, a lessening minority?

Well, Mr. President, our States have commissioned us and have sent us here to use such judgment as we have relating to the business of the country, and we are going to continue to follow our judgment about what is best for those whom we represent.

For they will be in a greater minority in the next Senate than in this. You know it is the peculiarity of that great body that it has rules of procedure which make it possible for a minority to defy the Nation.

Mr. President, under the up-to-date construction of the rules of the Senate I do not think there is any reasonable possibility of defying anybody's right to act. The rules are, and should be, so constructed that they will allow reasonable debate. This is the place which the American people have had in their minds as a possible vent for exposure of what they believe to be legislation which is not for their best interests, and I conclude that the rules of the Senate are as liberal in that respect as anyone who is familiar with them thinks they should be.

And these gentlemen are now seeking to defy the Nation and prevent the release of American products to the suffering world which needs them more than it ever needed them before.

Yes; we have sent 54,000,000 more bushels of grain abroad since the harvest of the last crop than we did last year. We are defying the Nation by shipping more than has been shipped in other years; and I will submit some figures to indicate the volume of trade, which show that the world's commerce is being pretty well cared for under the conditions which exist.

Their credentials as friends of business and friends of America will be badly discredited if they succeed.

If I were speaking from a selfish, partisan point of view, I could wish nothing better than that they could show their true colors as partisans and succeed. But I am not quite so malevolent as that. Some of them are misguided; some of them are blind; most of them are ignorant. I would rather pray for them than abuse them. But the great voice of America ought to make them understand what they are said to be attempting now.

Well, Mr. President, the great voice of America is the press, at least that is the greatest voice with which I am familiar, and I am going to submit to the Senate in great detail samples of the expressions of the press in every section of the country. I ask the Senators on the other side who have charge of this legislation to submit any evidence, either in the press or elsewhere, in favor of this legislation. They will have an opportunity to do so, and I challenge them to compare in any way the character and the qualifications of the witnesses who will testify in favor of this pending bill with those who are protesting against it.

Whether one agrees with his public utterances, since President Wilson took the oath of office, it must be admitted that he has displayed poise and good taste previous to the Indianapolis speech, and it continues to be an increased cause of wonderment to the people of this country, if the press correctly represents their sentiments, how the President could have so far lapsed as to go to the other extreme by indulging not only in questionable taste but the unfounded statements with which his whole address is filled. He refers with words of praise to the "independent," which, if it means anything, is the man who thinks for himself and who generally comes to his own conclusions on public questions which are honest, if not sound, but in the very next breath he attacks in a bitter way those who are opposed to a legislative measure unprecedented in its character in the legislative annals of the world. Those who are opposed to it are not entirely on this side of the Chamber, Mr. President, they can be found in every class and in every political party, and I am not sure that a great majority of them are not in the political party to which the President belongs.

Before any new idea of such character is to be put on the statute books it should have public sanction and approval. The President assumes it has this approval, but his statement is a mere assumption, not in any way borne out by the facts. I want to believe that he made it thinking that he was stating a fact which is without question, but, if that is true, the charge made that he seldom seeks advice, but comes to his own conclusions, and believes that they are public sentiment, is an explanation of his statement in this case.

The first evidences of public sentiment are always found in the press, and as far as that evidence goes there is almost universal condemnation of the project which the President says must be passed and against the opposition to which he warns Senators of any party who may come to a different conclusion than that held by himself. Could there be given a more violent



wrench to popular government than to have the head of the Nation, speaking to the whole country, asserting that those who do not agree with him are misled, ignorant, self-assertive, and misrepresentative?

The way to determine whether this legislation is at all in accord with public desire is to thoroughly discuss it, and as a result of that discussion Senators and Representatives will be sure to hear from their constituents whether or not the bill has the approval of those thinking people who have an opportunity to give it any suitable consideration. This process is sometimes a long one, but in this case, as the idea which the President is urging is new, is entirely outside our experience and the experience of other nations, there is no other course to follow for those who doubt its effectiveness, who hesitate at the dangers of complication with other nations which it may involve, those who believe that it is economically unsound and unwise, than to give it such thorough discussion that the country may understand what it actually means, and the results which will come from its passage.

As one of those opposed to this legislation I deprecate the President's declaration not because I have any desire to oppose the legislation which originates with an administration with which I am not in political sympathy, for I have, as have many other opposition Senators, already shown my independence on that subject; indeed, it may be said that no President in our recent history has had as much support on strictly administrative matters from opposition Senators as has the present incumbent of the White House, and in one case, that of the tolls bill, affirmative action could not have been obtained if it had not been for the assistance of some of those Senators who are now being attacked by him because they are going to vigorously oppose this measure. I believe that there are the possibilities of the gravest international complications involved in the passage of this bill; that if it passed it would be ineffective, utterly failing to carry out the wishes of its sponsors; that it is economically unsound, ill advised, and dangerous; that the sentiment in its favor among those who have given it consideration in or out of Congress is almost negligible; that if it is passed by this Congress or any other Congress, it would be done not because those who vote for it, generally speaking, favor the legislation, but as a result of the most flagrant political pressure, and, speaking for myself, I consider it a duty, which I am going to perform, to throw every possible obstacle in the way of its passage by discussing not only the objections which I have just named, but every other phase of the question involved in establishing a suitable merchant marine. This can not be done by me in an hour or in a day. I want to have what I have to say, feeble and ineffective as it may be, given a chance to reach those who should be informed on the subject, and as the first phase of this discussion I am going to take up at this time the President's statement that "the minority in the Senate are seeking to defy the Nation," and his intimation that the public is demanding the passage of this bill by showing, as far as I am able to show, that there is no public sentiment in favor of the passage of this legislation.

For that purpose I am going to turn first to the report of the merchant-marine committee of the Boston Chamber of Commerce, made to the directors of the chamber of commerce and adopted unanimously by that body. The Boston Chamber of Commerce is one of the largest commercial organizations in the United States. There are more than 3,000 members. It includes a very large percentage of the larger of the business interests of Boston, of all classes and all grades. It is as representative as any organization can be of the business in its locality. It has on its marine committee men who have devoted their lives to the marine industry. They are among the men who, if a proper procedure had been followed, would have been called before the committee of the Senate and inquiry made of them as to the practicability of carrying out this project. Many of the men in a great port like Boston who belong to a commercial body are those who are familiar with seafaring life and seafaring methods; so that this report, which as I said was unanimously adopted by the chamber, should have, I think, the weight to which it is justly entitled. In order that it may have that weight I am going to read from it and make some comments on the suggestions which are made:

To the executive committee and board of directors:

There is some precedent, in the practice of other nations, for Government ownership of railroads; there is none whatever for Government ownership of a merchant marine.

The only instances I have been able to find where a Government has done anything in the way of the ownership or control of merchant-marine lines are one or two instances of river steamers owned by the Balkan States, and one or two instances

of river steamers on the Kongo owned or controlled by the Belgian Government; but they are so few that they may be neglected, so that the general statement made in this report is correct.

Mr. NELSON. Mr. President—

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Minnesota?

Mr. WEEKS. I yield for a question.

Mr. NELSON. Are not the instances which the Senator cites instances where the boats that are employed are connected with some special commercial enterprise?

Mr. WEEKS. Undoubtedly. I think I know one steamer or one small line of steamers on the Danube which might not come under that head; but, substantially speaking, that is correct.

Mr. NELSON. In the Kongo case to which the Senator refers, is not the steamer service maintained for the purpose of exploiting the special interest of the Belgian Government in commercial and producing transactions engaged in by the Government in that country?

Mr. WEEKS. Undoubtedly. It has the same general function, I think, that the steamers belonging to the Panama Railroad Co. have had in connection with the construction of the canal—incident to the construction and primarily not operated for other reasons.

Such experience in this direction as exists is either an accident or a fragment. The United States bought a small steamship line from New York to Colon as a part of the assets of the old French Panama Canal Co., and has operated that line as an incident of canal construction, at a nominal bookkeeping profit of about 2 per cent for 10 years, with insurance, depreciation, and interest disregarded—imperative charges of a regular steamship concern, which if paid by the Government line would have involved a huge deficit and bankruptcy. The government of Western Australia has owned and operated a small coastwise steamship line for two years, with a loss of \$114,000 the first year and of \$96,000 the second. It is now believed that this enterprise will be abandoned.

That statement is taken from a report of the attorney general of Western Australia.

This is the net experience in government ownership which the world affords—two lines, both of them financially failures. Yet the ocean steamship business as a whole, in private hands, is and has been reasonably prosperous—as prosperous, on the average, as other industries, or it could not have procured capital for its great and constant growth. Twenty-five years ago the tonnage of all nations recorded by Lloyds was 22,151,000; 10 years ago it was 36,000,000; now it is 49,089,000.

A very rapid growth, and one which conforms, I think, with the growth of the business the world over.

There has been almost no increase in the over-seas tonnage of the United States in this period, but the causes are well known; this is not the place for their discussion at length, and they can not be remedied by a mere expedient of Government ownership. Steamers of a Government-owned line would, if built in the United States, cost more than competing foreign-built ships, or if bought abroad, would cost no less than such competing ships and would cost considerably more to operate. They would, of course, equally with private-owned American ships, be debarred from the subsidies of foreign Governments. A half a century of actual trial proves that under such conditions and with only such exceptions as serve to prove the rule American ships can be maintained in over-seas commerce only at an annual loss that finally becomes prohibitive.

That is borne out by the experience of the two ships, originally called the *Tremont* and the *Shawmut*, which were purchased by the Government for the canal service. They were built at a cost of about \$1,000,000 apiece and were put into service to run from Seattle to the Orient. They were operated for six years as economically, I think, as possible. They were well-constructed ships and were suitable for the purposes for which they were constructed, and yet they never earned a dollar of net profit during that six years. They were purchased by the Government at their cost price, less an estimated depreciation of 6 per cent a year, or 36 per cent. The ownership of those ships was largely distributed because there was a desire on the part of citizens of Boston and vicinity to try the experiment of putting on an independent line of steamers under natural conditions and seeing what the result would be. It was almost a patriotic act on their part. The result of that experiment was a loss of interest for six years and a loss of 36 per cent of their principal, the Government buying the ships for the purpose, as is well known, of transporting cement to the Canal Zone, with a provision in the bill that they should be turned over to the Navy for auxiliary purposes when that service was terminated. That is an experience which bears out the conclusions stated in this report from the Chamber of Commerce.

The report goes on to say:

MORE COSTLY THAN A REGULAR SUBSIDY.

This inevitable loss under these bills will have to be made up out of the Treasury of the United States through appropriations for the maintenance of the Government-owned steamship service. There is no proof or suggestion that a Government-owned line under the American flag can be operated at any less expense than a private-owned line.



I shall undertake, Mr. President, before the completion of this discussion, to prove that a Government-owned line can not be operated as economically as a privately owned line; that it will cost very much more than the cost of operation of a privately owned line, so that if a privately owned line is a failure the Government line is sure to be. In that event, the loss must be made up by taxing the people, many of whom are not interested in the operations conducted; which really means the payment of subsidies, and indefinite subsidies at that.

In fact, the expense of a Government-owned line would certainly be greater, for it has been established again and again that the Government can not conduct any business so economically as private individuals trained from youth in that business and dependent on it for profit or for livelihood.

Experience has shown that it costs about 20 per cent more to build battle ships in Government navy yards of the United States than in private yards under like systems of accounting, and it is a fair assumption that there would be at least an equal contrast in the cost of ship operation. Therefore it is a reasonable expectation that if a subsidy of a given amount were required for the profitable maintenance of a private-owned merchant marine, a Government-owned merchant fleet would demand a subsidy at least 20 per cent, and probably much more than 20 per cent, greater, in the form of appropriations from time to time for the Government steamship corporation, of whose stock the Government holds 51 per cent, while private capitalists may own the remainder.

I am going to discuss later the question whether private capitalists would own the remainder. My judgment is that a person who subscribed for any of that stock, hoping that it would be a profitable investment, would be a fit subject for St. Elizabeth's.

Without entering on a consideration of the expediency or justice of a subsidy system, it is indisputable that this Government ownership project involves a particularly wasteful form of subsidy expenditure, inasmuch as trained and responsible private shipowners would be able to provide a given service at a lower cost, or for the same amount to render a more efficient and comprehensive service.

#### SHIP OWNING A SPECIALIZED BUSINESS.

The proposed bills hold that the Government-owned merchant marine shall be managed by a shipping board, composed of the Secretary of the Treasury, the Postmaster General, and the Secretary of Commerce, not one of whom, probably, would have had the slightest experience in or knowledge of the ocean shipping business, which is a profession by itself, complex and difficult, requiring intense application and exceptional aptitude.

We seem to be prone to pile onto department officers responsibilities of the character which are suggested in the pending bill. My judgment is, and I think it is the judgment of those who have served in Cabinet positions—and their opinion should be worth much more than mine—that they should devote, there is ample opportunity for them to devote, their entire time to the conduct of their departments; and yet there is hardly a commission provided under our recent legislation of which some Cabinet officer is not made a member, which means that the work is going to be done by some other person than he, or it means that he is going to neglect the administrative duties for which he has been appointed. The Secretary of the Treasury is especially subject to these selections for commission places. I submit to the Senate the suggestion that they examine the qualifications of the Secretaries of the Treasury and Secretaries of the Navy during the recent decade, as probably suitable officers, based on experience, to manage an ocean transportation line.

I am informed—I do not know whether it is true or not—that one of the conferences which have been recently held has seriously considered adding two civilians to this board. If they will add competent civilians and take off the Cabinet officers and make a real shipping board of it, they will remove one of the very objectionable features of this bill, in my judgment, and they will provide, as far as may be done, for efficient management. It is not necessary for somebody immediately connected with the Government to be on these commissions. Men who are more competent and have more time than they can be found for such service; and, in my opinion, it is a mistake to put any Cabinet officer on a technical board such as the shipping board provided for in this measure.

I hope the majority will not only carry out the suggestion which I have seen reported in the press of adding two civilians to the board, but I hope they will take every one of the Cabinet officers off the board and put men who are trained for such service on it, so that we may have the best results obtainable under what I believe will be a bad system at best.

It is not to be expected that Cabinet ministers, even of the highest general abilities, could compete in this highly specialized calling with men who had made it the one thought and effort of their lives.

The Panama Canal line is a conspicuous case in point. Its president is and has been Col. George W. Goethals, the distinguished builder of the canal. This Government line, though favored in the transportation of officials and employees, supplies and materials, has failed to earn a sum equivalent to its insurance, depreciation, and interest, which must be regularly met by all private steamship companies.

"Does an emergency exist?" is the question in the report.

It is said that an emergency exists because of the great European war, and that this emergency justifies a disregard of all precedents and de-

mands immediate and extraordinary legislation. We deny that there is any such extreme emergency. Chartering is active; vessels long idle are being employed; freight rates have advanced. But these higher rates are due in chief part to risks incident to the war, to higher insurance rates, and to an increased cost of coal, supplies, and wages. Ship-owners and merchants, who have been questioned state that there is ample tonnage offering in the world in general for the reduced amount of trade that is being transacted.

I have been told, Mr. President, within a day or two that there are some 20 vessels on the Pacific coast belonging largely if not entirely to the Pacific Co. which are not now being used, and which are available if anyone needs their services by bringing them to the Atlantic coast to carry on the trade which is just now under a pressure.

In South American commerce especially, on which stress is laid by the proposed bills, there are said to be more ships than cargoes. A widespread business depression, due to the war and other causes, has suddenly reduced the purchasing power of the South American Republics.

That is not peculiar to the South American Republics alone. The only pressure for the purchase of anything under present conditions is those munitions and supplies which are incident to war. We are having spurts of good business in the United States, but in every instance where there is relatively good business it is due to the demand from Europe on account of the necessity of furnishing the contending armies with supplies, either munitions or the other equipment which is necessary for military service. Some branches of the woolen trade, some shoe manufacturers, some makers of lathes and other machinery used in the manufacture of ammunition are the branches of business in this country which are even normally active; but in other instances the purchasing power of the world has been crippled and is less than in normal times. That, of course, is true as applied to Europe outside of the war necessities. It is stated here that it is true of South American countries, and it is true of the United States itself. Every person in the United States is to some degree economizing in his expenditures. The President, in his Indianapolis speech, made some happy remark about getting over the 1st of January this year because the financial conditions were such that not so many dividends are being paid as heretofore. There were not any dividends being paid in many cases, and anyone who is familiar with securities will find that there has been a very material reduction in the incomes of Americans, and necessarily as a result a reduction of the expenditures which they make. Therefore when this war pressure is over we are almost certain to see an amount of tonnage available for the over-seas traffic which will be greater than its requirements.

A new American freight steamship line has recently been established to Brazil. Other American steamships naturalized under the new free-registry law are scheduled to sail at frequent intervals for Argentina, Uruguay, Chile, and Peru. There is and long has been an American line to Venezuela, and there are two or three American lines, one the Government-owned service, to the Isthmus of Panama, aside from the six American lines regularly plying through the canal in the coastwise trade between the Atlantic and Pacific seaboard. The managers of the lines to the farther countries of South America state that because of the prevalent business dullness they are finding it difficult to load their ships and maintain their sailings without the additional handicap of having the Government of the United States as a competitor. (The United States & Brazil Steamship Line, under the auspices of the United States Steel Corporation, operates three American freight steamers from New York to Rio de Janeiro and Santos. Norton, Lilly & Co. operate three American freight steamers from New York to Montevideo, Buenos Aires, and Rosario. W. R. Grace & Co. (Merchants' Line) and the New York-South American Line both operate American freight steamers from New York to Chile and Peru. The Red D Line operates four American mail, passenger, and freight steamers under ocean mail pay to Venezuela. The United Fruit Co. operates several American mail, passenger, and freight steamers from New York to the Isthmus of Panama and Colombia. The Panama Railroad Steamship Line operates several American mail, passenger, and freight steamships from New York to the Isthmus of Panama, connecting at Balboa for ports on the west coast of South America.)

#### AS TO LACK OF COTTON SHIPS.

There is some difficulty in securing a sufficient number of ships on the route from the southern cotton ports to Bremen. But it should be understood that because of mines and other conditions this is an extraordinary service. British and French ships, of course, are not available for the carrying trade to Germany, and the German Government has stipulated that cotton shall be brought to German ports only in ships of American register, which are also preferred for the export of German dyestuffs and chemicals. Twelve or more American steamers from the coastwise service have accepted charters in the Bremen cotton trade during the few weeks since that trade was opened.

The information of the committee is that the real difficulty in the Bremen trade is not lack of ships, but lack of marine insurance on hulls and cargoes. A Federal war insurance board has already been instituted for temporary service through the European war. Proposals to extend the authority of this board, so that it can assume marine risks for the time being, while conditions remain as abnormal as they are now, are already before Congress.

I wish to suggest that in one case a merchant ship constructed of wood, a ship about 20 years old, was undertaking a trip to South America. She could carry a cargo having a value of about three-quarters of a million dollars. But the marine insurance companies, considering the character of the ship and her age, would take only two-thirds of the cargo in insurance. That is one of the conditions which the insurance department



of the Government could very well take under consideration and possibly provide suitable insurance to carry on that line of traffic. It was submitted to the department having charge of our insurance methods, and the last time I had any information on the subject no decision had been reached. In the meantime the cargo and the sailing of the ship has been delayed. A delay in the sailing of a ship with such a substantial cargo as three-quarters of a million even for a day is a measurable loss in the probable profits which might be obtained from the cruise.

Such an expedient—

Speaking of insurance—

Such an expedient would solve the problem without any need of resort to the costly and dangerous expedient of Government ownership. If proper insurance can be had, more ships will be available. There are still suitable American steamships not yet chartered. From this fleet, with return cargoes practically assured, enough tonnage should be had to carry all the cotton required for direct import by Germany. In addition to these steamships there is a large fleet of seagoing sail vessels capable of carrying cotton or other cargoes with reasonable safety if insurance can be had. Indeed, several American sailing craft have been chartered in the past few days for lumber freights from the Gulf of Mexico to the Mediterranean.

#### A HAZARD TO NEUTRALITY.

There are large considerations of national prudence why any American ships employed to carry cotton or other goods to German ports should be private-owned ships instead of the property of our National Government. Hon. Robert Lansing, the counselor of the Department of State, recently emphasized before a subcommittee of the House Committee on Naval Affairs the grave risks that would be run in the transportation of conditional contraband to a belligerent port in a public ship of the United States. Raw cotton is regarded as noncontraband, but the very appearance of a national-owned ship in belligerent waters is fraught with a peculiar hazard to neutrality that does not attach to the voyage of a private-owned vessel.

An accident or affront to a Government-owned ship would be a vastly more serious affair than a similar happening to an ordinary commercial vessel not of a public character. A Government-owned merchant marine, created in the stress of war, would be a potent agency for the embroiling of the United States in the terrible catastrophe now convulsing Europe.

#### GOVERNMENT OWNERSHIP WILL NOT INCREASE TONNAGE.

No considerable increase in the amount of tonnage actually available for the carrying of our over-seas trade in any direction can be anticipated from this proposed expedient of Government ownership. All the American ships and all the neutral ships that could be bought and utilized for this purpose by the Government can be had equally well for charter for export, at current rates, on application to their present owners. Government ownership has no magic power to increase the tonnage of the world. New ships can not be constructed in either American or foreign yards in a period less than 7 months; 9 or 10 months or a year would be required for the largest cargo vessels.

That statement simply adds to the evidence which I have submitted, that as an emergency measure this proposition will be entirely futile and without any appreciable effect. It will not add to the tonnage of the world, and the vessels which might be available for purchase can be better used by private individuals than under public ownership.

The British Government on December 23 proclaimed an embargo on the transfer of British ships to foreign flags without the assent of the British Board of Trade, which, in present circumstances, would hardly be forthcoming. Dutch, Scandinavian, Spanish, Italian, and other neutral steamers are in such active demand and are earning such unusual rates of freight that it is not probable that our Government could purchase them now without the payment of inordinate prices. A scheme of Government ownership and operation, hazardous and difficult at any time, could be effected at the present juncture only by a prodigious expenditure.

I have illustrated the possibilities under that statement by illustrating with the purchase price paid for the ships we bought when we had an emergency at the time of the Spanish War and the prices obtained for those which were not needed for naval purposes after the termination of that war.

Thirty or more German steamships, some of them of large tonnage, are interned at present in ports of the United States. The Hamburg-American Co., the larger of the concerns owning them, has recently declared that its ships were not for sale. Moreover, last August a rumor that these German steamers might be bought by the American Government immediately drew a notification from both Great Britain and France that the purchase and operation of these belligerent vessels under the American flag would be regarded as an unfriendly act and as a violation of neutrality.

The committee is deeply interested in the real revival and restoration of the American merchant marine in overseas trade, but is profoundly convinced that an ambitious scheme of Government ownership would discourage and delay and not promote this great object, dear to the hearts of the entire Nation. Shipowners and shipbuilders state that the introduction of these proposed bills has had the unfortunate result of halting private enterprise and defeating important plans for the extension of steamship services and for new construction. No business man, no business corporation, however resolute and resourceful, desires to have as a possible competitor the Government of the United States.

#### MENACING THE COASTWISE TRADE.

The proposed bills profess, in general language, to provide Government-owned ships only for "the foreign trade," but this profession is thrown to the winds by an amendment adopted in the Senate Committee on Commerce, which includes Hawaii among the regions to which a Government-owned fleet shall operate. Hawaii is not a foreign country. It is not a dependency like the Philippines or Guam. It is a regularly organized Territory of the United States, and its ports are ports of the United States, exactly as are Boston and New York and

Philadelphia and San Francisco. Trade with Hawaii is and has been since 1900 American coastwise trade, in which none but American vessels may lawfully participate. There has not been a word of suggestion or complaint that the war in Europe affected in any way the transportation of merchandise between Hawaii and the American mainland, for which a large, new, and increasing American fleet is available.

As a matter of fact, the trade of Hawaii is very much less than it has been in the past, due largely to the legislation which has been adopted by the Democratic Party. It gave the sugar industry in Hawaii not perhaps its deathblow but a blow which would discourage any development of it, and would induce those engaged in it to seek some other means of using their capital.

The inclusion of Hawaii among foreign ports in foreign trade is without a shadow of excuse. All interested in the American merchant marine will rightfully regard it as an ugly menace, as an "entering wedge" to Government competition in the entire great coastwise commerce of this country, reserved for more than a hundred years to American ships and American owners and now employing a vast shipping of upward of 7,000,000 tons. Any plea that the help of the Government is needed in this mighty trade is wholly baseless and indefensible.

#### THE LEASING CLAUSE.

The amendment added to the bill in the Senate Committee on Commerce, authorizing the Government to charter, lease, or transfer its ships to private corporations, is a frank recognition of the force of the criticism which the original plan has met with everywhere from the representative mercantile bodies of the United States.

I want especially to call that to the attention of the Senator in charge of this bill. Speaking entirely for myself, if the possibility of Government operation of these steamers were removed under any and every circumstance, if it were not launching into a policy which I believe will be one of the most dangerous we have undertaken, I should view this legislation with much more complacency. It would remove, as far as I am concerned, one of the great objections, and I hope before the conferences which are now being indulged in are concluded the majority of this Chamber will reach the conclusion that it is inadvisable under any circumstances for the Government to operate these ships in over-seas or any other trade.

Mr. FLETCHER. May I inquire of the Senator if he would support the bill if the provision for operating ships were stricken out of it?

Mr. WEEKS. Mr. President, I want to answer the question frankly. That is not my only objection to the bill, but it is one of the principal objections I have. I am not opposing this bill, and I am not going to vote against it because it originates with a Democratic administration or because it is favored by the majority of this Chamber. I will vote for the bill when it is finally completed if it appeals to my judgment that it is going to in any way relieve, temporarily or otherwise, a condition which every American citizen believes ought to be relieved.

Mr. FLETCHER. May I ask the Senator a further question?

The PRESIDING OFFICER (Mr. HARDWICK in the chair). Does the Senator from Massachusetts yield to the Senator from Florida?

Mr. WEEKS. I yield for that purpose.

Mr. FLETCHER. If the Government should decline to operate these ships, and there should be no provision giving the Government the power to operate them, then would not the Government simply be put in the position of buying ships which would be used for the benefit of those engaged in the shipping business, and wherein would that differ from the Government guaranteeing the bonds of some private individuals or corporations that would build the ships themselves if the Government would guarantee the bonds? Is there much difference between the Government buying the ships and being compelled to charter or lease them and the Government undertaking to guarantee the bonds of some corporation that would build its own ships?

Mr. WEEKS. Mr. President, other nations have furnished the capital to build ships for privately owned companies. That is one of the forms of subsidy that has been adopted, as I instanced, in the case of the building of the *Lusitania* and the *Mauretania*. But I will say to the Senator from Florida that, in my judgment, if there is a real demand for additional tonnage at any time the Government will have no difficulty in chartering any vessels that it may have available for effective and efficient transportation service. It is not going to mean, because the Government can not lease them, that there is any prejudice against those particular ships. If they are efficient ships they can be leased easily enough and operated much more cheaply than can be done by the Government.

Speaking of the amendment for leasing:

But this modified proposal also is essentially unsound. So long as merchant ships cost more to operate under the American flag than under foreign flags, no Government-owned ships will be chartered by



experienced shipowners unless the amount of this additional cost of operation is subtracted from the charter price, leaving that price merely nominal. Under such conditions the Government, of course, will actually be paying a concealed subsidy, which might much better be a frank, open, and stated one.

I differ somewhat from the conclusion reached in that instance, Mr. President, because I believe chartering can be obtained for ships of that character and that we owe it to our military and our naval services that we provide them with suitable ships for auxiliary purposes. We sent our fleet around the world accompanied by coal carriers flying the flags of other nations, a most humiliating spectacle, in my opinion, and we ought to have a sufficient number and tonnage of ships of this character to make homogeneous naval equipment, whether it is used for any other purpose or not. But I have not any desire personally to have money invested in an equipment of that kind which, under the kind of pressure which exists to-day, may not be made available for commercial purposes.

Mr. KENYON. From what is the Senator reading?

Mr. WEEKS. I am reading from the report of the Boston Chamber of Commerce.

The conclusions reached by the committee which prepared the report from which I have been quoting are as follows:

(a) It is a sound principle that the Federal Government should not engage in a business which under suitable conditions can be conducted to equal or better advantage by private enterprise.

(b) Such an undertaking would be an unwise departure from the traditional policy of the American people, which would involve a wasteful expenditure of public money, and would imperil our neutral position in the great European war.

(c) No present emergency justifies the Government in embarking in the ocean shipping business; increased governmental facilities for marine insurance will largely solve the immediate problem of the cotton trade; Government ownership could not immediately add to the number of ships afloat upon the seas, and whenever there is a real need for vessels they can be as easily supplied by other means without resorting to this unsound and hazardous experiment.

(d) The proposed legislation would discourage private capital and personal initiative and thereby indefinitely defer the development of an American ocean shipping industry, so vital to the commercial progress of Boston, of New England, and of the whole United States.

We make the following suggestions as to methods for the creation of a strong and enduring merchant marine, which would be preferable to Government ownership and operation as proposed in the pending bills, and urge their consideration by Congress:

The suggestions are as follows:

#### SUGGESTIONS.

1. The establishment in the Department of Commerce of a shipping board of five members after the example of the British Board of Trade and similar organizations of other maritime Governments; such a shipping board to be composed of the Commissioner of Navigation, a representative of the shipowning interests, of the shipbuilding interests, and of the shippers in water-borne trade, and an expert in marine insurance; this board to have general supervision of the American merchant marine.

I hope the Senator from Florida will make particular note of the first suggestion which this committee offers. It is so entirely different in its character from the proposition in the pending bill, and appeals to me as so much more likely to bring efficient results, that I hope the Senator and those associated with him will not neglect it, but will carefully consider the propriety of substituting such a shipping bill as this for the one the bill proposes.

2. A prompt revision and modernizing of our navigation laws and regulations, so far as they unnecessarily increase the cost of operating American ships as against foreign vessels.

As I stated this morning, in my judgment the modification of our navigation laws has been carried substantially as far as can be done under the legislation which has passed Congress since 1912. Any further modification, except in some minor detail, would be to lessen the protection which we have provided for those who are following a seafaring career; and I am not disposed to consider that, and I do not think it ought to be considered by anyone.

3. An amendment of the ocean mail law of 1891 so that the compensation now paid to 20-knot ships to Europe can be paid to ships of less speed, of the second class, suitable to establish regular mail, passenger, and fast-freight services in naval reserve ships on the longer routes to South America, Australasia, and the Orient.

Mr. FLETCHER. May I interrupt the Senator to make an inquiry before he leaves that last suggestion?

Mr. WEEKS. Certainly.

Mr. FLETCHER. What does the Senator believe was in the mind of the chamber of commerce with reference to the modification of the navigation laws? What were they intending to convey there? I do not know whether the Senator understands their position or not.

Mr. WEEKS. I have not any information as to what was in the mind of the committee, but I presume the committee, in making that recommendation, had overlooked the action taken by Congress in the legislation passed last year modifying the purchase of foreign ships, the age at which they can be purchased, the carrying of foreign officers and crews on ships flying the American flag, and other similar modifications. As I tried to

point out yesterday, it has not lessened the cost of the operation of those ships, because the foreign officers who come into our service under such conditions immediately demand the increased wages which are paid under the American flag.

Mr. FLETCHER. Can the Senator state whether the chamber of commerce would recommend admitting to the coastwise trade those ships admitted to American registry and now allowed to engage in foreign trade?

Mr. WEEKS. I am confident that no man who has considered the results of our coastwise laws and of our over-sea laws would be in favor of letting down the bars and let into our coastwise trade foreign shipping. I pointed out yesterday, and I think the Senator heard me, that the coastwise trade is now conducted on a reasonable basis. If anybody thinks it is not, he can easily find out the results that may be obtained by buying some one of the several lines of steamers which are for sale, and for sale at less than their reproduction cost. That is a complete answer to the statement which has been made that there is a monopoly in our coastwise trade and that somebody is making more money out of it than he should. It is not true, and nobody of any experience, I think, will so state. I wish to suggest to the Senator from Florida that in order to get the final judgment of those gentlemen who are responsible for this report, who know navigation and who know over-seas trade, that they be called before his committee, and let them tell as experts what they think should be done in this very important matter.

4. In place of an investment of \$40,000,000 in Government ownership and operation, a Federal fund of the same amount, to be administered by the shipping board above referred to for the purpose of guaranteeing mortgages examined and approved by the board, or for careful loans upon shipping built or purchased for over-seas trade and fitted for auxiliary naval service.

The purpose of that is that construction shall be entered into or purchases shall be made for naval purposes primarily—that is in accord with the substitute which will be offered by the Senator from Iowa [Mr. CUMMINS]—and that, in order to provide for that shipping with certainty and have it under the control of private operators, loans shall be made under reasonable conditions, taking the ships as a mortgage. In that way the Government would be absolutely protected, the most economical operation would be provided, and the ships at the same time would be certainly available for naval purposes.

The sum of \$40,000,000 devoted to ownership and operation of a Government-owned fleet would produce only a relatively small fleet, but a proper use of a Government fund in the manner indicated would provide a large one, of far greater value to the commerce of the Nation.

Of course it is not intended to spend \$40,000,000 in part in building or buying ships; it is only proposed to spend \$30,000,000 under this act. That does not take into consideration the very important problem which I have suggested of providing suitable docks and wharves, the termini of the routes which are to be followed by these lines of steamers, and the many other incidentals, which will cost a very considerable amount of money. It is not possible that anything like \$30,000,000 could be properly invested in the purchase of ships without taking into consideration other matters incident to traffic of that kind.

Mr. FLETCHER. Would not those matters be provided for by the capital stock of \$10,000,000. The amount to begin business with, required to be paid up, being 51 per cent, or \$5,100,000, could be used for acquiring terminals, and possibly also for purchasing some of the ships.

Mr. WEEKS. I think that would be sufficient for a year or two. I have not figured out just how long, but it would certainly be lost inside of two or three years. Then the corporation would be under the necessity of borrowing money or selling some of its ships or of its other property. It would not be safe, in my judgment, to undertake to carry on business for any considerable time with only \$10,000,000 surplus, because I can see how that might be dissipated in a comparatively short time under Government management.

5. Annual retainers of a proper amount to citizen officers and men of merchant vessels of the United States, after the practice that has proved so successful, particularly in the British mercantile marine, and special compensation to steamships not under contract for carrying mails, but built on designs approved by the Navy Department and pledged to the service of the Government as fuel ships, supply ships, or transports, so that the Government may be able to control an adequate American auxiliary fleet and a naval reserve of officers and men in time of need.

That is a general provision which has been incorporated in all of the mail subvention laws which Congress has had under consideration during the last 10 or 15 years. It is an extremely important consideration, in my opinion, because we are losing a larger part of the effectiveness of our Navy by not having a sufficient and proper reserve. This is one of the ways of providing a reserve. I do not think it is the only way, but it is one of the ways of adding to the effectiveness of our Navy without



materially adding to its expense; and there should be no loss of time, in my judgment, in adopting a suitable naval reserve policy as well as a suitable Army reserve policy, both of which will inure directly to our benefit without increasing our expense.

6. To meet a present condition, an extension of the powers of the existing Bureau of War Risk Insurance to cover marine insurance on hulls and cargoes, with the understanding that this bureau shall be discontinued when the war has ended.

That is simply a recommendation to extend the power of Government insurance which was provided by Congress last year. At that time I did not think, I am frank to say, it was necessary or desirable to do that; but the limitations placed around the insurance business, which can be conducted under the act as it now stands, might, I think, be temporarily relieved—that is, until the end of the war—and it would increase very materially the carrying capacity of some of our American ships.

The opposition to this legislation does not come entirely from organizations interested directly in seafaring life, but it comes from every available source. It is not located entirely on the seaboard; it is not located in any one section of the country; but the universal belief is, so far as I have been able to learn, that it is impracticable and dangerous. I am going to submit some evidence of that general statement.

Here is an editorial from the Chicago Tribune of January 12, 1915. It can not be charged that the Chicago Tribune has been unfriendly to this administration or that it has any particular prejudices that might possibly go with a newspaper published on the Atlantic or the Pacific coast. This is what it says of the pending bill:

#### WHAT IS BEHIND THE SHIP-PURCHASE BILL?

Secretary McAdoo's address in this city on the ship-purchase bill may have been intended to be direct and pointed, but as a matter of fact it was evasive and superficial. It failed to deal with the most fundamental objection to the measure; it did not attempt to justify what all intelligent critics regard as its inherent and incurable defect or vice.

That vice is this—that the bill rests on no definite, acknowledged theory. Its sponsors can not agree on any defense of it. The President gave us one theory in his message, and Secretary McAdoo hinted at another one in his speech, but neither adhered to his theory and both contradicted themselves.

If the bill is an emergency proposal called forth by the great war, then it should frankly be advocated as a makeshift and stop-gap, and, moreover, as Senator BURTON has said, the alleged emergency should be demonstrated by relevant facts and figures. This demonstration is not forthcoming; certain misleading figures have been cited, but the shipping and transportation experts have repudiated the interpretation put on the figures by the sponsors of the bill. No business authority has been or can be quoted in its favor.

If, on the other hand, the bill is not an emergency proposal, but a serious and constructive piece of legislation designed to give impetus to the development of a merchant marine, then the very worst time has been unhappily and absurdly chosen for the introduction and passage of such a measure. A time of stress and uncertainty, of unprecedented disturbances in trade and shipping, a time altogether anomalous from every financial and business viewpoint, is assuredly not the time to try to take a momentous step toward the establishment of a merchant marine. We have waited 50 years, says Mr. McAdoo, forgetting that he has advanced the emergency view of the bill. Well, if we have waited 50 years, we can wait another year or two; we can wait till peace has been reestablished and normal conditions have been restored. The sensible man does not during a baffling crisis sit down to deliberate on lines of policy to be pursued under ordinary and normal conditions.

What alternative course do you propose? ask the defenders of the bill. Alternative to what theory, in what sense—as an emergency measure or normal and permanent one?

The simple truth is, neither Secretary McAdoo nor Senator FLETCHER nor anybody else has considered or met the many objections to their bill that the minority of the Senate committee or the chambers of commerce have advanced in reports and circulars. They have dealt in mere generalities and charged "partisanship." Mr. McAdoo "deplored" the fact that "great men" will fight a good bill solely because it is "sponsored by an opposite party." Before deploring that alleged fact he should have answered the arguments—the facts, figures, and reasoning—of the minority and the business men just referred to. He did nothing of the kind. Those arguments remain unanswered, as we shall show, and the charge of partisanship is gratuitous and totally unwarranted. The stubborn insistence of the administration respecting this dubious departure is in direct proportion to the feebleness of the arguments advanced for it. As the debate proceeds and this fact develops, curiosity is aroused.

Why is this bill being pressed so vigorously? What is the pressure behind it?

I hope the Senator is noting this article and will answer these questions—

Certainly not the pressure of overwhelming facts and cogent reasoning, for they would be brought forward.

It is not cynicism but common sense, therefore, that asks for more light.

What is behind the ship-purchase bill?

Mr. MARTINE of New Jersey. Mr. President—

The PRESIDING OFFICER (Mr. HOLLIS in the chair). Does the Senator from Massachusetts yield to the Senator from New Jersey?

Mr. WEEKS. I yield for a question.

Mr. MARTINE of New Jersey. I am prompted to ask the meaning of the particular sentence which the Senator from Massachusetts has read—"What is behind the ship-purchase bill?" To whom can that refer?

Mr. WEEKS. These questions were asked by an editorial writer in the Chicago Tribune.

Mr. MARTINE of New Jersey. I should like to ask whether the Senator from Massachusetts is himself able to answer just what that expression refers to?

Mr. WEEKS. I have heard rumors that there were very large commissions to be paid in case of the purchase of certain lines of ships.

Mr. MARTINE of New Jersey. Surely the Senator from Massachusetts does not for an instant believe that those who are pressing this bill have been prompted by such venal and selfish motives as the commission which might be paid on the purchase of the vessels?

Mr. WEEKS. I do not believe that the President of the United States has had anything to do with it or that Senators on this floor have had anything to do with it, but that does not exclude everyone who may be urging the passage of the pending bill.

Mr. MARTINE of New Jersey. I will myself say that I can not believe that those who are prompted by any such purpose would have or have had any influence whatsoever.

Mr. WEEKS. Well, I do not know that they have; but I hope the Senator from New Jersey will not take me from the floor by making a speech, and I know he does not want to do so.

Mr. MARTINE of New Jersey. No; I do not want to do that. I have the greatest admiration and respect for the Senator and for his ability, but, without any thought of taking him from the floor, I want to say that I am in favor of a shipping bill providing for a Government-owned marine. There are many features of this bill that I hope to see corrected, but I shall be glad to see the day come when the Government will own shipping facilities without any thought of leasing the privilege to any private corporation.

Mr. WEEKS. Mr. President, I assume my right to the floor has not been affected. There is much in common between the Senator from New Jersey and myself. We are both extremely anxious to develop a merchant marine, but I want to do it under methods that have been approved by the experience of the world. I did not ask those questions myself, but I hope they will be authoritatively answered, and that we may have an answer to a question which I have asked several times and which I am going to ask several more times: What ships are under contemplation for purchase? Who owns the ships? Is there an option held on those ships by anyone for any purpose? Are we going to buy ships of belligerents or are we going to buy neutral ships? I hope those questions will be answered before this debate is concluded.

Mr. MARTINE of New Jersey. Mr. President, it will be impossible for me to answer the questions propounded by the Senator. Although I am not a lawyer, I can understand how there might be very grave—

Mr. WEEKS. Mr. President, I want to warn the Chair that I am not yielding the floor for a speech.

Mr. MARTINE of New Jersey. I have no purpose of inflicting a speech on the Senator. I say that, while I am not a lawyer, I can understand how very grave and serious complications might ensue from the purchase of the ships of a belligerent; but there are many other sources from which we can purchase ships. As I said the other day in the Senate, Norway and Sweden present a most inviting opportunity, and then, thank God, we have shipyards and there are perhaps a million men who would like to engage in the construction of ships.

Mr. WEEKS. Mr. President, I presume the Senator in making the statement was asking my opinion of that proposition. I want to say that if we are going to buy ships of Norway and Sweden when they are earning more than they have probably earned at any one time for a long period, if not for all time, we are going to pay very exorbitant prices for them.

Mr. MARTINE of New Jersey. I will say in answer to that particular suggestion—

Mr. WEEKS. I do not ask the Senator to answer it.

Mr. MARTINE of New Jersey. I merely want to answer that suggestion, if the Senator will permit me. A gentleman, a Norwegian, of large interests and very signal ability, stated to me that notwithstanding the fact that they were quite busy Norway had vessels entirely adequate for the service, which they would be very happy to sell us at reasonable prices.

Mr. WEEKS. Mr. President, I think the Senator's friend will be a philanthropist of an international character if, when his shipping is earning 25 or 30 or 40 per cent, he would sell it for the price that he would be willing to sell it for if it were laid up half the time for want of cargo.

Mr. KENYON. Mr. President—

Mr. WEEKS. I yield to the Senator for a question.

Mr. KENYON. It seems to me that the statement of the Senator from Massachusetts to the effect that options had been



secured on boats which might be purchased by the Government, while not a charge, is sufficient to arouse a great deal of interest in a man's mind on this proposition.

I confess I should like to support a shipping bill to relieve the present emergency, but if there is any truth in the statement which has been bandied around the Senate, that ulterior forces are at work and that options are being secured on boats which are to be turned over to the Government at unwarranted prices, I do not want to vote for anything that is going to get us in that situation. Does not the Senator feel that there is some way of getting at the facts, either through a committee or in some other way, and does he not feel that the Senate ought really to know whether or not the statement is true?

Mr. WEEKS. Mr. President, the Senator is well aware that I did not make the statement and that I did not ask the question. I was reading from an editorial in the Chicago Tribune. The Senator is as familiar as I am with the methods of procedure to obtain facts of that character. If anybody has any such facts he might very properly be called before the committee, together with experts and others, and given an opportunity to explain to the committee whether or not there is anything in the allegation.

Mr. KENYON. I think the Senator indicated that he had heard such rumors in the city of New York and in other places.

Mr. WEEKS. I have heard them in the city of Washington.

Mr. KENYON. In the city of Washington.

Mr. FLETCHER. Mr. President, I do not care to interrupt the Senator—

Mr. WEEKS. I yield to the Senator from Florida for a question.

Mr. FLETCHER. But while on that point, it might be well to ask, if the Senator thinks it would be worth while to inquire into the suggestion that there are influences behind those who favor the bill, what influences there are behind those who oppose the bill, and to inquire whether there is truth in the statement made to me by a person who seems to understand the situation precisely, to the effect that—

The opposition to the shipping bill comes chiefly from two sources, namely, the steamship interests and the so-called Wall Street interests. The steamship interests are opposed to the bill because they do not want additional competition, either governmental or private.

Wall Street interests are opposed to the bill for two reasons: First, because of the steamship interests which they own or control; second, because they fear that the success of this Government enterprise—and a great success it is bound to be—may result in Government ownership of telegraph, telephone, railroad, and other public-service corporations.

Mr. WEEKS. Mr. President, I do not know from what the Senator was reading. I wish he would state from what he was reading.

Mr. FLETCHER. I have read from a letter written to me by a gentleman in New York, and I will have occasion to refer in some detail later on to the contents of that letter. The gentleman is of high standing and character; he evidently possesses excellent ability and is thoroughly informed on this subject.

Mr. WEEKS. It sounds like Mr. Samuel Untermyer.

Mr. FLETCHER. His name is Mr. Phillip Manson, and his address is 290 Broadway, New York.

Mr. WEEKS. Mr. President, I do not know of my own knowledge anything about pressure for this bill, but I know that pressure against the bill is all pervading; it comes from every conceivable source. It is one of the stocks in trade of the Democratic Party whenever they have a bad cause to say that Wall Street is opposing it. There are some members of the Democratic Party who have had some pretty intimate associations in Wall Street in recent years, and it might properly be asked, if that question were going to be pressed, whether those particular members were influenced by their Wall Street connections or otherwise?

Mr. President, another evidence against this bill comes from the Boston Marine Society, an organization of very high standing and one which has been in existence for many years. A statement made by it in New England would carry weight, and I think it should do so here. I have received the following letter from that society:

BOSTON MARINE SOCIETY,  
SECRETARY'S DEPARTMENT,  
Boston, Mass., January 13, 1915.

Hon. JOHN W. WEEKS,  
Washington, D. C.

DEAR SIR: At a meeting of the board of trustees of the Boston Marine Society, of Boston, Mass., held on the 12th instant, a quorum being present, it was unanimously voted:

"That this board protests against the passage of bill H. R. 18666, now before Congress, and that the secretary is hereby instructed to so notify our State Senators and Representatives in Congress."

A true copy—attest:

ABERDEEN H. CHILD, Secretary.

The Journal of Commerce and Commercial Bulletin is one of the leading papers which has had to do with mercantile-marine

matters for many years—perhaps for a hundred years, for it is a very old paper. Its information is carefully scrutinized by those who are interested in nautical matters, and it is an authority in a general way on such subjects. I quote an editorial from that journal headed "Stupid shipping legislation," as follows:

[From the Journal of Commerce and Commercial Bulletin.]

#### STUPID SHIPPING LEGISLATION.

War has caused a sharp awakening to the deplorable situation of our mercantile marine. According to a statement carefully prepared by this paper, not less than 5,800,000 gross tons of ocean-going ships have been withdrawn from service since the war began. About 3,500,000 tons represent German and Austrian shipping, and 1,700,000 tons British vessels chartered by that Government. In addition, over 600,000 tons are known to have been destroyed or captured. This sudden withdrawal of such a vast amount of tonnage approximating 13 per cent of the world's total, has created a temporary ocean freight famine. This is one of the exigencies of war that can not be avoided, and would have occurred even had we already possessed a respectable merchant marine. The difficulty, though temporary, is a real one, and warrants any rational and effective means of relief that can be devised.

One of the most puerile proposals that has yet been offered is that of Government ownership. A bill has been introduced at Washington which the administration is expected to support, authorizing the creation of a \$10,000,000 shipping corporation, of which the Government shall own a controlling interest. The Government is also authorized to issue bonds to the extent of \$30,000,000, making a total available capital of about \$40,000,000.

How much relief would a plan of this sort afford? There is good reason for estimating the cost of building a 10,000-ton ship in the United States at about \$425,000, compared with \$325,000 in an English shipyard. At present the cost of building in a British yard ranges from \$45 to \$75 per ton. If we take \$50 per ton as the cost of a good freighter, this would allow investment in about 800,000 tons, or about 23 per cent of the amount already withdrawn. But where are these 800,000 tons of ocean vessels to be procured? It would be sheer folly to attempt to build such a fleet, even in part, because the war would probably be over before such ships could be put into commission, and they would enter the market at a time when transportation would be depressed by exhaustion from the war and when the supply of tonnage would already be excessive. In other words, if the Government built such ships it could not provide the relief immediately needed, but would only aggravate a bad situation later on, not to speak of incurring a heavy loss to the Government. The only means of relief possible would be for the Government to purchase foreign vessels now lying idle in various portions of the world. This involves grave risks; risks that private capital is not willing to undertake, and that if assumed by the Government might easily involve us in serious international disputes. Besides, the German ships are probably not for sale. The whole proposal of Government ownership in ships is so visionary, inadequate, and dangerous as to be utterly unworthy of an intelligent administration. The situation does not warrant such paternalistic and socialistic methods. As a precedent, it is highly dangerous, and as a cure for a bad situation it can only be classed as stupid.

There is still a lamentable amount of ignorance about American shipping. The urgent necessity for its revival is beyond question; and when Congress repeals the laws which deny American shipowners a fair chance and prevent them from entering the business under the same terms and conditions as their rivals, then we may expect a genuine and permanent restoration of our prestige on the seas, and not before.

Nobody can charge that the New York Times, a great newspaper, has been unfriendly to the present administration or anything which has been indorsed as a part of the policies of the President. On the contrary, that paper has been a staunch supporter of the administration, I think, in most of its activities during the past two years. This is an editorial under date of January 6, 1915:

The administration's ship-purchase bill has been put upon the Senate's calendar of unfinished business. That is the best place for it, next to the discard. As unfinished business it will give Senators opportunities to talk, to wave the flag, and promise the Treasury to the next on the national bread line, to worry the President, and particularly to obstruct the other legislation which the country is to get without asking for it. It will serve these purposes better than even the "pork bills," and it will thus accomplish the only good it ever will do. The reason is too simple to mention were it not that so many overlook it for reasons more elaborate but not more convincing. Whatever else is promised for the bill it is not promised that it will add a single vessel to the world's cargo boats. The utmost within the possibilities of the case is that the intervention of Government will divert existing tonnage from the uses to which it is put upon commercial considerations. Any such diversion must be detrimental, since commerce manages itself better than it can be managed by those unfamiliar with it and managing it for other than business reasons not commercial. A proposal so uneconomic must be justified on other than commercial grounds, if at all. But uneconomic considerations are suspect and should be examined with care.

Senators support the bill on the theory that we lack trade because we lack shipping, and that the provision of shipping will supply the trade. As a matter of fact, trade follows profit, not the flag, and shipping follows trade. The supply of shipping will not supply profits, except by Treasury disbursements. Trade at the expense of the taxpayers is not the kind they want. The fate of the bill might well be allowed to rest upon a comparison of the lists of those who oppose the bill or who would be more hurt than helped by it with those who are asking for it. There are some who would be glad to unload shipping made idle by the war and others who would be glad to get from the Government even more than they now are getting by trade. All these classes together are not numerous or influential.

On the other hand, the list of those opposing the bill is impressive. Senator BURTON is a host in himself. Supporting him are Republicans like ROOT and LODGE, who give him the best of Democratic reasons for opposing the bill upon principle. There are Governments which give subsidies, but none which run shipping lines. There are Governments that run various monopolies, because they are such by nature, and



therefore are suitable for Government operation in the common interest. There are other Governments which take over some forms of private enterprise in order to substitute profits for taxes. In such cases the service is generally bad and dear, and in no case is this done for shipping. The reason lies on the surface. The carriage of goods on the sea is open to all with moderate capital, and Government can not compete on terms of equality with private operation. If the Government is to make a place for its shipping venture it must take a monopoly by law or it must underbid. If the terms are fair, the Government's line can not succeed, as appears from the fact that even private operation has failed in this line of effort. It has failed because the Government has enacted uneconomic conditions of operation, and now proposes to operate itself because it has made private profits impossible. Such reasoning is irritating. If there is a debit on the balance sheet of American shipping, the remedy is not to create a balance with Treasury funds, but to reduce costs sufficiently to allow a profit. That would not be acceptable to those supporting this bill. They would create other costs and would balance the business by larger takings from the Treasury. If there were any prospect that the venture would be confined to placing a \$30,000,000 mortgage upon another Government enterprise itself unprofitable commercially—that is, by issuing Panama Canal bonds for supplying shipping—little harm might be done. But there would be other greedy applicants for easy money. And the threat of Government competition would extend far beyond the immediate direct effects. It would blight private enterprise in the same manner that unfair Government competition has robbed the express companies and the mails for the benefit of the parcel post. The manner in which the Government has earned profits in the domestic carrying trade is worthy only of the requisition of a pirate. And it is proposed now for the open seas by the party traditionally devoted to the principle that that government is best which governs least.

Next, Mr. President, I submit to the Senate a letter from the National Metal Trades Association written by its secretary:

NATIONAL METAL TRADES ASSOCIATION,  
Boston, January 11, 1915.

HON. JOHN W. WEEKS,  
Senate Chamber, Washington, D. C.

MY DEAR SENATOR: You probably will be interested to know that the Boston branch of the National Metal Trades Association is unqualifiedly opposed to H. R. 18666, the so-called Alexander bill, and I sincerely trust that you may see your way clear to use all legitimate means to oppose the passage of this bill.

If there is any way that you can suggest that the members of this branch can be of assistance in preventing this legislation, I shall take great pleasure in presenting to them any suggestion that you might offer.

I have written Senator LODGE a letter along similar lines, a copy of which you will please find inclosed.

Yours, very truly,

W. W. POOLE, Secretary.

This is an editorial on Government-owned ships from the periodical called *American Industries*—the manufacturers' magazine:

Judged by the standards of sound business the proposed Government-owned line of merchant ships is foredoomed to failure. There is no pressing demand for ships to carry American cargoes to justify the entry of the United States Government into the marine carrying trade, as President Wilson urges in his recent message to Congress. A sincere policy of economy in national affairs would dictate caution in investing the money of the people in an enterprise which is so very uncertain in its results that private capital, proverbial in its wise timidity, hesitates to enter it under present laws. And if the bill now pending in the Senate is passed and a line of Government-owned ships established, it is certain, in the light of past experience, that they will only add unnecessarily to the increasing cost of government with no adequate compensation to the taxpayers for the expenditure.

After reviewing the trade conditions occasioned by the war, President Wilson, in urging the passage of the shipping bill, premises his demands upon the assumption that there is a dearth of bottoms available for the transportation of American products to foreign lands, and that this dearth must immediately be removed if the United States is not to be outstripped in the race for foreign trade. He said:

"How are we to carry our goods to the empty markets of which I have spoken if we have not the ships? How are we to build up a great trade if we have not the certain and constant means of transportation upon which all profitable and useful commerce depends? And how are we to get the ships if we wait for the trade to develop them? To correct the many mistakes by which we have discouraged and all but destroyed the merchant marine of the country; to retrace the steps by which we have, it seems almost deliberately, withdrawn our flag from the seas, except where here and there a ship of war is bidden to carry it or some wandering yacht displays it, would take a long time and involve many detailed items of legislation, and the trade which we ought immediately to handle would disappear or find other channels while we debate the items."

The President has evidently been misinformed as to the bottoms available for the transport of American goods. In war times freights are always unusually high, and despite the 5,000,000 tons of belligerent shipping now idle, the high rates of which shippers complain have attracted many small craft to American waters which are anxious but unable to obtain charters.

The Boston Maritime Association reports that there are tied up in Boston four steel steamships for which cargoes can not be found, and the association has a list of 200,000 tons of shipping available at rates high enough to warrant a round trip. It is reported that a French line is sending 18 small boats to American harbors for grain cargoes, because these boats can not operate on their usual routes abroad. A great number of Scandinavian tramps have been attracted to our neutral ports, and shippers experience little difficulty in obtaining ships at prevailing rates.

Obviously the Government could not profitably cut the prevailing freight rates. It would be forced to compete with private shipowners on an equal footing or literally throw into the sea the money of the taxpayers. If President Wilson desires to establish a permanent American merchant marine to compete with the ships of other nations, let him urge the repeal of those laws which in his message he admits have driven our flag from the seas.

It should be written as the first axiom of economics that no business will thrive unless it be profitable. It matters not whether that business be conducted by the Government or by private individuals, unless it be profitable it will die. If the pernicious labor laws with regard to

American ships are repealed and that business freed from Government restrictions, aided instead of oppressed, the American flag will again be restored to the seas. Other expedients are useless.

Other reasons are not wanting to argue against the President's proposition, and among them, as we have said before, is that out-and-out socialism has no place in our national life.

I am going to try to demonstrate before I finish, Mr. President, that in every instance the general statements made in that article from *American Industries* of this month can be substantiated by showing the results of Government operation in competition with privately conducted corporations in substantially every country in the world.

It has been suggested by the Senator from Florida [Mr. FLETCHER] that there may be some question about the motives or the reason for opposing this legislation. That, I assume, means that somebody is interested in shipping and does not want additional competition, or that somebody is financially interested in transportation lines and is afraid of Government ownership. I do not know anyone who has investigated the question of Government ownership, and who has any regard for the financial integrity of the results obtained, who is not afraid of it. I am; and I am frank to confess that the more I investigate it the more fearful I am of any attempt on the part of the Government to conduct any business. The Government was organized not for conducting business operations but for those particular purposes which are inherent in government organization. The minute you stray from that, I do not care in what direction, you are going to increase operating expenses, you are going to decrease the returns which come on account of pressure, and you are going to make the net returns negligible if not absolutely a minus quantity. That is the result of all, or substantially all, Government operations which I have examined, and I am going to consider them in great detail before I complete my remarks.

To indicate that there is no section which is not antagonistic to the pending measure, I want to read into the Record the resolutions adopted by the New Orleans Association of Commerce:

Resolution adopted by the merchant-marine committee of the New Orleans Association of Commerce and approved by the board of directors of the New Orleans Association of Commerce at a meeting held on January 6, 1915.

That it be the sense of this committee that they recommend to the board of directors of the New Orleans Association of Commerce that they go on record as being opposed to the Government ownership or participation in the ownership of steamship lines to engage in the foreign trade of the United States, for the reason that we do not consider such action necessary, but, on the contrary, unnecessary; and, on the other hand, such ownership and operation of vessels by the Government will create unfair competition with its own citizens.

This committee therefore requests the Association of Commerce, through its board of directors, to oppose the Alexander bill, known as H. R. 18666, amended by Senate bill 6856, which action, the committee is informed, has been taken by a special committee of the Chamber of Commerce of the United States, who have considered this proposed legislation and the restoration of the American merchant marine.

It is the further sense of this committee that the New Orleans Association of Commerce inform the President of the United States, the President of the Senate, the Speaker of the House of Representatives, the chairman of the Senate Committee on Commerce, the chairman of the Merchant Marine Committee of the House of Representatives, the Senators and Representatives from Louisiana in Congress, and the United States Chamber of Commerce of the action taken in this matter.

THOMAS J. FREEMAN,

President New Orleans Association of Commerce.

Attest:

WALTER PARKER, General Manager.

Here is a canvass that was recently taken of American exporters. It would be presumed that if any class of citizens were in favor of increasing the capacity of our merchant marine under the conditions which prevail, it would be the exporters of the country, those who are directly involved in the business which must be completed through the facilities offered by a merchant marine; so a canvass has been made of these exporters by the organ—I presume, of an association—called the American Exporter:

As a result of a canvass just completed by the American Exporter of 2,447 leading exporters of the country, 559 replies were received, of which 85 expressed approval of the Government ship-purchase bill—

I think, very likely, many of those approved it because they had no hope of obtaining anything else—

20 were in favor under certain conditions, 229 were opposed, while the balance who answered excused themselves from expressing an opinion because of unfamiliarity with the bill, a desire not to go on record, or because their export shipping is handled for them by others.

That clause, "a desire not to go on record," attracts my eye. We have been passing the kind of legislation here, and particularly the legislation that passed the Senate last summer under the title of the Trade Commission bill, which has put the business man of this country in such a position that he does not want to face the possible antagonism of a Government bureau by expressing disapproval of the administration which may be in power. We have exactly the same condition under our banking laws to-day, and exactly the same result. Except



under pressure, you can not get a national banker or a member of the Federal reserve association to express any public opinion regarding the Federal reserve law or anything pertaining to Government operations. It should be kept in mind at all times that a large percentage of the business men of this country under present conditions, with the possibility of having a Government bureau placing in their path restrictions and obstacles which will imperil or at least injure their business operations, will not express opinions that are unfriendly to the administration. I propose at some time, when I have the time, to put into the RECORD some of the activities of the comptroller's office in connection with certain banking interests during the last year's time, and in my judgment it will astonish the American people to see the extent to which bureaucracy is trespassing on the reasonable and proper rights of business organizations. Why, the Comptroller of the Currency has even gone so far as to recommend in his annual message this year that an infringement upon the regulations of that bureau by any citizen engaged in the banking business shall subject the offender to a fine, to be imposed by the comptroller himself—and this under a mere regulation, not a law at all.

Mr. BRISTOW. Mr. President—

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). Does the Senator from Massachusetts yield to the Senator from Kansas?

Mr. WEEKS. I yield for a question.

Mr. BRISTOW. Let me inquire of the Senator if, in his opinion, the administrative policies to which he refers—of the comptroller's office and of the Federal Reserve Board—are not very similar to the administrative policies of the Czar of Russia, and just as tyrannical and unreasonable and undemocratic in their methods?

Mr. WEEKS. I think they are more so, Mr. President. I regard the Czar of Russia as a molycoddle compared with them. [Laughter.]

I ask permission, Mr. President, to insert in the RECORD the rest of the article from which I was quoting, as part of my remarks, without reading.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

The canvass was made by mail beginning December 17 and ending January 4, thus being completed before the debate on the measure began in the Senate. Those asked to express their views were 1,196 manufacturers known to be engaged in or seeking export trade, and 1,257 export commission houses, manufacturers' export agents, New York buying offices for foreign firms and corporations, and foreign freight forwarders, and included all members of the American Manufacturers' Export Association, the American Exporters and Importers' Association, and a large portion of the Merchants' Association. It included firms in practically every State of the Union, and among manufacturers makers of everything from toothpicks to locomotives.

None of those invited to express their views were shipowners. The terms "shipping" and "exporting" are often confused in discussing over-sea trade, hence emphasis is laid on the fact that the views gathered are those of the men who pay the freight and depend on the shipping facilities offered and not those of the owners or agents of ships. Those who were asked to give their views were the very people who would supposedly benefit from the operation of the bill, and their indifference and actual opposition by a vote of more than two to one is considered significant.

Five questions were asked in an endeavor to learn whether exporters consider shipping facilities to Latin America have been inadequate or not, as in the opinion of the administration they have been, and whether exporters in general approved of the bill.

As the vote shows, the experience of shippers is that the 13 lines to South America and the numerous lines to Central America have provided and do provide ample facilities. Nevertheless, many who testify to that fact state that they are in favor of the bill. In addition to those who favored the bill, there were those who gave qualified approval to Government ownership.

Mr. WEEKS. Mr. President, the paper of largest circulation in New England is the Boston Post, which has been a Democratic paper for 50 years—I think since it was established. It has one of the largest circulations in the United States. I do not recall any instance when it has even moderately criticized a great policy of a Democratic administration; and yet this is an editorial from the Boston Post under date of January 9:

#### THE SHIP BILL.

As evidences multiply that the administration leaders in Congress are determined to push for the passage of the ship-purchase bill, so do the outspoken protests of many Democratic newspapers against the measure. The Post has felt compelled to range itself with those who oppose the bill, and it has as yet seen no arguments sufficient to change its opinion that the plan is inadvisable and would not do what it is intended to do.

In the first place, the Government would have to spend a good many million dollars in the purchase of ships in order to have the movement amount to anything. Does anybody need any argument to convince him that the national finances are in no condition to launch forth into any expense that is not absolutely necessary?

I am going to take the time a little later, Mr. President, to indicate the condition of the national finances. I am not an alarmist, but the deficiency tax, known as the war tax, which is intended to provide \$100,000,000, is not going to be sufficient

to provide this Government with revenues to carry out the purposes and the appropriations which have already been undertaken. We will have another deficiency tax of some kind within one year, or else the condition of the Treasury will be such that it will cause universal alarm.

Mr. SHERMAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Illinois?

Mr. WEEKS. I yield for a question.

Mr. SHERMAN. Does the Senator know whether any material portion of the \$35,000,000 appropriated for the Alaskan railway has been withdrawn from the Treasury yet, so as to be added to the expenditures?

Mr. WEEKS. Mr. President, I understand that practically nothing has been done yet, so that that appropriation does not affect the Treasury balances as they now stand.

Mr. SHERMAN. May I inquire, further, whether that \$35,000,000 is not a continuing liability, to be drawn against any existing receipts?

Mr. WEEKS. It is a continuing liability, Mr. President, as far as the \$35,000,000 is concerned, and then it will be a continuing liability after it is spent. I never heard of a business man who knows the loose way in which that appropriation was made and in which it is to be expended who would give fifty cents on the dollar for the investment that is going to be made in the Alaskan railway. If the railroad is ever started, if it is ever in operation, it is going to lose money from the day it commences to operate, and that will make it a continuing liability on the Treasury.

Mr. SUTHERLAND. Mr. President—

The PRESIDING OFFICER. Does the Senator from Massachusetts yield for a question?

Mr. WEEKS. I yield for a question.

Mr. SUTHERLAND. I ask the Senator in that connection—that is, in connection with the expenditure of the \$35,000,000, which is a continuing liability and the probability of a renewal of the war tax of \$100,000,000—whether or not he has taken into consideration the fact that in 1916 there will go into operation the provision of the tariff bill which we passed a year ago which entirely repeals the sugar tax and which will result in a net loss to the Treasury of upward of \$50,000,000?

Mr. WEEKS. Mr. President, at our present rate of expenditure, without some other source of revenue, there will be no balance in the Treasury by 1916, if we take into account the loss on account of the sugar tax to which the Senator has just referred.

Mr. SUTHERLAND. Does not the Senator think that in view of that fact, instead of there being a mere renewal of the war tax, there will be more likely a tax to raise \$200,000,000?

Mr. WEEKS. There is not any question but that it will have to be increased.

To continue the reading of this editorial from the Boston Post:

Our customs receipts from imports have dropped almost to nothing. We are taxing various articles and documents to make up for this loss. Are we ready to place on the taxpayers the burden of establishing a huge fleet of commercial steamships in the foreign trade, which, it is admitted by the President, would probably not earn its expenses soon, if at all?

Further than this, however, and more significant, we think, is the truth that a Government-owned merchant marine would be the most discouraging thing to American carrying industry that could possibly be devised. Private interest could not stand Federal competition, and would not try to. The business would be killed in short order and nobody would be the gainer.

Lastly, it has not been shown that there is any shortage of ships when there are cargoes to fill them. When trade increases we shall need more; but the immutable law of meeting demand with supply will provide the carriers. It is not Uncle Sam's business and he ought to keep out of it.

That, as I said, is from the Democratic Boston Post; but Democratic papers in New England are not the only Democratic papers that are saying things of a similar character about this bill. Here is the Lexington (Ky.) Herald, edited by a cousin of the present Assistant Secretary of War, a member of the well-known Breckinridge family. The title of the editorial is:

#### THE MISGUIDED, BLIND, AND IGNORANT REQUEST LEADERSHIP, LIGHT, AND INFORMATION.

In the striking speech delivered by President Wilson at Indianapolis on Jackson Day, which is well worth perusal by those who wish to become acquainted with the thoughts of the President and to understand his purposes, he states: "Many of those who are fighting the ship-purchase bill now before Congress are misguided; others are blind, but most of them are ignorant."

There is an old story that a man away from home received a telegram saying, "Your mother-in-law is dead. Shall we embalm, cremate, or bury?" Promptly answered the living son-in-law, "Take no chances. Do all three."

We feel somewhat as did that son-in-law. We know the President, as always, is accurate in his statement that those who oppose the ship-purchase bill are misguided, blind, or ignorant, and our opposition to that bill is so strong that we plead guilty to being all three—mis-



guided in our belief that it is in violation of every Democratic principle and tenet, blind in our inability to see how it will benefit American commerce, ignorant of the purposes of those who advocate such a bill instead of frankly advocating subsidies, from which greater benefits would come.

We have been utterly misguided in our study of history if such a bill is in accord with any principle enunciated by a Democratic platform or approved heretofore by a Democratic President or a Democratic Congress.

We know of nothing in any handbook of Democratic principles that justifies the Government entering into competition with private capital. We are unable to understand or to appreciate that conception of Democratic policy that thinks it proper to blaze the way for the Government to enter into business in competition with private enterprise, and that, too, in a business that requires expert knowledge and long training.

We are blind, utterly blind, to the advantages that will come from this bill. No reasonable man can advocate the use of Government-owned ships in European trade. No man who appreciates the temper of the American people can contemplate the possibility of the seizure of a Government-owned ship by the warships of a foreign nation without realizing the imminent danger of involving us in war with the country making the seizure.

The President saw fit to protest to England, which is in fact a protest to all of the allies, against the seizure, examination, and detention of ships carrying goods to neutral countries. In the papers of Sunday, the day after the publication of the President's speech, there were accounts that the allies would probably seize a ship that after the declaration of war had been purchased and transferred to American register, upon the ground that the purchase was not bona fide.

Is the United States Government to purchase ships that are now interned and pay to the citizens of the warring countries millions of dollars without protest from the other countries involved in this war? Are we to use such ships in the European trade with the practical certainty that we will become involved through the seizure, search, and detention of those ships? We do not believe that one even so blind as we admit ourselves to be can face with equanimity such a prospect.

There has been no revelation of a method by which we can promptly use such Government-owned ships for the purpose of developing the South American trade, about which we hear so much, and which will eventually be of so great value, but which must be developed along the lines that have been laid through the centuries by the prejudices and the customs of the residents of South America.

There is no intimation of the plan of the Government to secure warehouses and docking privileges in the South American Republics. The bagatelle of \$30,000,000 proposed in the bill, which is but a fraction of the ultimate amount that would be required, for the ostensible purpose of creating a navy of merchant ships, would not in any appreciable way relieve conditions as they now exist.

Admitting, as we frankly do, and always shall, that the President is accurate and just in branding those who disagree with him as misguided and blind, we admit also that we are ignorant and plead with all earnestness that we be enlightened. From whom are the ships to be purchased? What plans have been made for the purchase of ships? To the citizens of what country is the money for the purchase to be paid? What is the plan for the handling of the ships? How are we to secure warehouse and docking privileges? Why does the bill provide that the Secretary of the Treasury shall be the virtual dictator of the purchase, management, and operation of these Government-owned ships? Why is it that the Secretary of the Interior and the Secretary of Commerce, under one or the other of which surely such a traffic should be operated, are overlooked and the Secretary of the Treasury is chosen as the one to operate a commercial enterprise?

There are many other questions about which we are ignorant, but we at present are intensely anxious to be enlightened as to these. And with all the deference possible we suggest most humbly that the President would be more apt to win the approval of the country by giving reasons than by uttering denunciation of those who disapprove this bill and question the plan that has been proposed.

Mr. MARTINE of New Jersey. Mr. President—

The PRESIDING OFFICER. Will the Senator from Massachusetts yield to the Senator from New Jersey?

Mr. WEEKS. I will yield to the Senator for a question.

Mr. MARTINE of New Jersey. I shall not delay the Senator's discussion. I have no desire to deprive the Senator of any rights. I think he quoted from the Boston Globe a moment since, and he referred to the Journal of Commerce.

Mr. WEEKS. I did not quote from the Boston Globe. I quoted from the Boston Post.

Mr. MARTINE of New Jersey. Well, it was a Boston paper, anyhow. I have here the Journal of Commerce of to-day, and it says:

TAKE VESSELS FROM PACIFIC FOR COTTON—SHIPPERS CHARTER WESTERN STEAMERS FOR THIS TRADE—AVAILABLE SUPPLY ON ATLANTIC COAST HAS BEEN EXHAUSTED—REGULAR LINES CAN NOT SPARE MORE BOATS—"MATANZAS" AND "NECHES" RECHARTERED—UNDERWRITERS KEPT BUSY.

The whole line of the Senator's argument was that there was much available material or bottoms in which to ship from here. The Journal of Commerce for to-day says:

Finding the Atlantic coast depleted of available and suitable tonnage, attention has been turned to the chartering of steamers on the Pacific coast. It is understood that Pacific coast steamers will receive slightly higher compensation than the Atlantic steamers, in view of the fact that many of these steamers will have to sail some 3,000 miles without cargo before reaching the loading port on the Atlantic.

SEVERAL PACIFIC STEAMERS ALREADY.

Having exhausted the supply of available vessels on the Atlantic coast for the transportation of cotton to Germany, shippers are turning their attention to American steamers on the Pacific coast, and according to information secured yesterday several Pacific coast vessels have already been chartered to come to Galveston to take cargoes of cotton to Germany.

There is other matter here that I will not read. Then it says—

Mr. WEEKS. I am assuming that this does not take me from the floor.

The PRESIDING OFFICER. Certainly not.

Mr. MARTINE of New Jersey. I have no thought of doing that.

The PRESIDING OFFICER. The Chair so understands.

Mr. MARTINE of New Jersey. If so, I would cease instant. This article says:

Prospective shippers of cotton to Germany are negotiating for the use of any American steamer that will meet with the approval of the insurance underwriters, who have been kept busy during the past five weeks in passing on applications for permission to use vessels hitherto employed in the coastwise trade for trans-Atlantic voyages.

It is estimated that fully 25 Atlantic coast steamers have already been chartered by German cotton shippers, and when the fact is taken into consideration that nearly all of these vessels are in normal times employed in regular services, it can readily be seen that the coastwise American lines are unable to spare any more of their vessels, in spite of the attractive chartering rates that are being offered.

This and other matter in the Journal of Commerce, the great trade journal of the great metropolis of this country, proves conclusively that the statements of the Senator from Massachusetts, unfortunately, are incorrect and that there is not an available supply, and hence they are seeking the Pacific coast.

Mr. WEEKS. Mr. President, I hope that will all be included in the Record. That is a question which I am glad to discuss. The Senator from Massachusetts has not made the statement that there is not a dearth of tonnage at some points for some purposes. That would be the height of folly, because everyone knows that there is. What the Senator from Massachusetts has said, if it can be construed along that line in any sense, is that there is no dearth of shipping at some points; and I made the statement earlier in the day, which is referred to in the Journal of Commerce, that there were said to be 20 ships belonging to the Pacific Co. on the Pacific coast, for which there was no business, and that those ships could be or would be brought around to this coast for that purpose. But I demonstrated conclusively that the great demand in the northern ports to-day is for cargo carriers to transport our grain to European markets; that we have shipped since the harvesting of the grain crop last fall, up to and including the 15th of this month, 54,000,000 bushels more wheat than we did in the corresponding period last year; that we have but 75,000,000 bushels more to export; that that is the limit of our possibilities; and that that 75,000,000, with the shipping that is now available for the purpose, will be entirely transported by the middle of March. So, even if this bill were passed to-day and it were possible to buy ships and have them transferred to the Government service without any delay whatever, we could not get any ship in operation before the urgency for the grain-carrying purposes would have terminated. That is not entirely true as applied to cotton, but it is absolutely true and final as applied to grain.

I will say this for the benefit of my friend from New Jersey, that if he will have patience for three or four months after the urgency has expired for carrying grain and cotton to European markets he will find a large oversupply of ocean-carrying shipping. Any number of ships, in my judgment, will be ready for that kind of business just as those ships on the Pacific coast are ready now because there is no business there for them to carry on. Why is there not business there just as on this coast? Because we are transporting the grain and cotton which we have produced, and substantially that covers the unusual demand. There is a greater demand for both those products than heretofore, but there is a limit to those products, and when they have been transported there will be no further demand until next November or next December, when the next crop is harvested.

Mr. FLETCHER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Florida?

Mr. WEEKS. I yield for a question.

Mr. FLETCHER. I ask the Senator if he thinks that the going out of commission of the German and Austrian ships withdraws nothing from the tonnage of the world?

Mr. WEEKS. Yes; I think that they withdraw something from the tonnage of the world, but I think the ocean-carrying trade is reduced to a greater amount than the withdrawal of tonnage which has come as a result of the war to those two nations.

Mr. FLETCHER. But the withdrawal of the tonnage of beligerent nations, the requisitioning and taking out of commerce, utilizing as transports, and so forth, of English vessels heretofore engaged as merchant vessels, does undoubtedly cut quite a figure in the way of reducing the tonnage. Then the experience in all the past, I believe the Senator will admit, is that after a war like the one pending, or any war in fact between two great countries, ceases commerce has been augmented, that trade has



increased following the cessation of hostilities. So we need not look for any falling off of trade, even after the war is over.

Mr. WEEKS. Mr. President, I do not think it is very profitable to attempt to prophesy, but if my judgment is worth anything, when this war is over there is going to be a great falling off in the trade of the world. My judgment is that the buying power of the world is going to be crippled and that we are going to feel the results of the war for the next 25 years. The buying power, especially of European countries, is going to be crippled to such a degree that we will be the dumping ground of everything that they can produce or which they have to sell. I do not expect to see any great business resulting from this war, but I expect to see depression and the crippling of industries. But, as I said, prophesying on such matters may not be borne out by the future.

Now, Mr. President, a few more quotations from newspapers entirely friendly to the administration, located in the sections of the country where there can be no possibility that there is any prejudice against the administration or against any of its undertakings. This is from the Charleston News and Courier, Charleston, S. C.:

President Wilson's Indianapolis address was especially disappointing in what it did not say with reference to the pending ship-purchase bill. He was exceedingly scornful of those who have declared themselves in opposition to the measure. But the only thing which he himself said in its favor was to point to the soaring ocean freight rates, with the declaration that "The merchants and the farmers of this country must have ships to carry their goods, and just at the present moment there is no other way of getting them than through the instrumentality that is suggested in that shipping bill."

Then, the Charleston News and Courier goes on to comment: We are satisfied the country is predisposed to support the President in this business as in most others. But as matters now stand the confidence of those who do so is subjected to a very severe strain.

This is from the Ohio State Journal:

We note very little support for President Wilson's ship-purchasing scheme in the newspapers, and they no doubt represent the business opinion upon the subject. There are two objections to the proposition: (1) It launches the Government into a private business, with all the unpleasant and perilous vicissitudes attending such a venture; and (2) there is plenty of shipping capacity already at command for all needs of our export trade.

I commend that to the Senator from Ohio [Mr. POMERENE].

This is from the Richmond News-Leader, Richmond, Va.:

As the News-Leader has shown in previous discussion of the subject, the proposition that the Government go into the ship owning and operating business involves the rankest sort of ship subsidy in disguise. The disguise is a specious and confusing provision that the business shall be conducted by a corporation controlled by the Government, thus by indirection levying a ship-subsidy tax on the people in lieu of a direct one in the shape of a flat, open ship-subsidy congressional appropriation.

The roundabout and the straight way are equally obnoxious to a time-honored and oft-iterated Democratic principle. They amount to the same thing in the end, with the balance in favor of the latter, if a Democratic Congress is to repudiate or abjure that principle. Democratic support of the proposition is no less support of ship subsidy because it is given under cover and the result sought to be attained is veneered with the plea of emergency.

I submit that to the Senator from New Jersey [Mr. MARTINE]. I hope when he gets the floor in his own time he will comment on Democratic principles and how they are being violated in this legislation.

This is from the Seattle Post-Intelligencer:

Some most singular and illogical arguments are advanced by the supporters of the administration's grotesque plan for the appropriation of some thirty or forty millions of public money for the purchase of merchant ships to compete with privately owned ships in the carrying trade of the country.

These advocates of the public ownership of ships, to be operated without regard to the necessity of earning expenses, as a means for reviving American shipping, are now busily engaged in pointing out the alleged shortage of tonnage for the carrying trade and the alleged high rates which are being charged for the carrying as arguments for the Government to enter the shipping business.

It does not seem to have occurred to those who bring forward these arguments that the passage of the proposed bill will not add one single ship to those now afloat and available for the carrying trade.

The Boston Globe is a good old-time Democratic paper. It has been Democratic in its politics, I think, for a hundred years. It very seldom strays from the straight and narrow path, but here is what it says about the shipping bill. I think it is now sticking to Democratic principles a good deal closer than the supporters of the measure.

Mr. MARTINE of New Jersey. I will say that the Boston Globe—

Mr. WEEKS. I yield for a question.

Mr. MARTINE of New Jersey. The Boston Globe can not rival the Senator from New Jersey in sticking to that which will inure and accrue to the benefit of the people of America. I do not care whether you call it Democratic, Republican, or Progressive, I will stand for that which I think will lighten the burdens and bring benefits to humanity.

Mr. WEEKS. I think the Senator intends to do that, but I suspect that once in a while he is mistaken.

Mr. MARTINE of New Jersey. Oh, I may be mistaken at times.

Mr. WEEKS. This is the title of the editorial to which I have just referred in the Boston Daily Globe of Wednesday, January 6:

NOT THE TIME NOW FOR GOVERNMENT-OWNED MERCHANT MARINE.

The "Government"—

Government is in quotations—

has its teeth so firmly set in the idea that it should own and operate merchant ships that it will not let go.

One of the first effects of the war in this country was to bring home to the American people as years of agitation on the platform and in the press have not brought home the vitality of our merchant-marine problem.

The public knew in a general way that our foreign shipping had been falling behind year after year until only a very small fraction of the American foreign trade was carried in American bottoms. Just what this meant in practice it did not understand, and as there appeared to be plenty of foreign ships for our imports and exports it did not much care.

Still less did the public understand the reason for the decline of our shipping, though the prevalent idea was that our strict navigation laws and the high cost of shipbuilding in this country were to blame.

With the outbreak of the war, however, the problem became acute. The shipping of England's foes was driven from the seas, and a large part of British shipping was summoned to the service of the Government. Needed imports did not come to port; goods for export piled up on docks and in warehouses.

Then arose a loud cry for relief, especially in the form of admitting foreign ships to American registry. That, it was confidently believed, would save the day, since foreign owners must be only too glad to put their endangered or useless vessels under the safe American flag.

A long step toward free ships had been made in the Panama Canal act of 1912, and last August this act was enlarged to admit to registry for the foreign trade foreign-built ships without distinction of age. They were, moreover, exempted from compliance with American measurement and inspection laws and from the requirement that the officers should be Americans.

But as the first act had had no results, so the new one had very little. No real increase was made in our foreign shipping, and nearly all the ships that were brought under the American flag had been previously owned by American corporations. The proposed wholesale purchase of German liners found vigorous opposition from Germany's foes.

Yet still the need of more ships and better service continued, and a new expedient was proposed—that the Government should control and operate steamship companies, leaving a minority interest for private investment. Since the Government could not induce its citizens to become shipowners, it would become a shipowner itself for the public good.

It can not be denied that some good results could be secured in this way. There undoubtedly would be new American ships, possibly new trade routes and better service for exporters. There would be the needed auxiliary fleet in time of war.

The real question, however, problems of constitutionality aside, is whether the gain would be worth the cost and whether that method of attaining the desired end is the best. American capital, estimated at from \$100,000,000 to \$200,000,000, is invested in the ocean trade under foreign flags, where a reasonable profit can be counted on. It has not been invested in American ocean trade evidently because it is not profitable.

The reasons are the higher wage level, certain restrictions imposed by our laws, and the fact that American shipping must compete against the subsidies and aids granted by foreign Governments to their liners.

Where private business can not make a profit, the Government certainly could not do so. When the Government enters business it is to render services which the public requires and can not otherwise get, and to render them whatever the cost. Nobody expects Government operations to be economical; if they result in a deficit, as with the post office, the public accepts it because the public benefits by the service.

It is highly probable that Government ships, if they were able to get the trade, would handle it only at a loss. But it would not be for a service rendered to the whole people, but to the exporters and importers; in practice it would be taxing the whole people for the good of a part.

I refer that to the Senator from New Jersey—

In practice it would be taxing the whole people for the good of a part. More than this, it would force private enterprise out of foreign shipping instead of drawing it in, and so would defeat its own ends. The outcome would be a Government merchant marine, uneconomically managed, and nothing else. From any viewpoint the question of Government ownership of ships could not be fairly tested at this time.

Better than this now is an open policy of Government subsidy. Better still a tariff discrimination in favor of American-carried goods. Either or both, coupled with free ships, should see a speedy growth in our shipping. And, if less speedy than the acquisition of a Government fleet, it would be of more enduring value.

Mr. THOMAS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Colorado?

Mr. WEEKS. I yield for a question.

Mr. THOMAS. If my memory serves me right, the Senator voted for the marine war-insurance bill. I should like to ask him if he does not regard that as using a part of the money raised by general taxation for the benefit of a few?

Mr. WEEKS. But, Mr. President, I took no particular objection to myself on account of the theory which was being advanced by the Boston Globe. I think in many instances we do use money raised by taxation which directly or indirectly benefits a few at the expense of all the taxpayers. I have voted for the legislation to which the Senator refers, and other legisla-



tion since the serious troubles which now embroil the world, not entirely because I approved of it or because I thought it would be as effective as its sponsors hoped, but because I wanted to put myself in a position where it could not be charged that I was doing anything whatever to embarrass the administration in trying to carry out policies which it seemed best to the administration to propose.

Mr. POMERENE and Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. To whom does the Senator from Massachusetts yield?

Mr. WEEKS. I will yield further to the Senator from Colorado.

Mr. THOMAS. I do not wish to be understood as criticizing the Senator for his vote upon that bill and upon similar measures. I think the fact that he supported it is to his credit; but I do not believe the argument as to the use of a part of the public fund in a particular direction not for the general benefit of all is in itself an argument or even a statement that should be considered seriously as a reason why we should not proceed with a given line of legislation.

Mr. WEEKS. The Senator knows—

Mr. POMERENE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Ohio?

Mr. WEEKS. Just one word first. The Senator from Colorado knows perfectly well that Democratic platforms and Democratic orators without end have declared against taxing the many for the benefit of the few. I was reading the editorial to indicate that in this matter the Democratic Party was once more departing from its platform pledges.

Mr. THOMAS. I think that that principle is a sound one, generally speaking, but I do not think it is applicable to measures like this, where it is intended that the Government of the people, a great public agency, shall itself be the medium through which these benefits are to be sought.

Mr. WEEKS. I yield to the Senator from Ohio [Mr. POMERENE] for a question.

Mr. POMERENE. Is it not the Senator's opinion that the establishment of the merchant-marine insurance bureau helped very greatly to reduce the rates of insurance?

Mr. WEEKS. I do not think it had any material effect upon the rates, but I think that it has had some indirect benefit; and I am rather inclined to think that the benefits could be increased by liberalizing methods in the manner which I indicated earlier in the day. I am not criticizing that legislation. I voted for it.

Mr. POMERENE. My information is that it has very greatly helped to keep down the insurance rates.

Now, then, let me ask another question along that line. Assuming that this bill is passed and we do make this investment in a line of vessels, and so forth, could we not expect reasonably that it would have a good deal of influence in keeping freight rates on the ocean at a reasonable mark?

Mr. WEEKS. The amount of shipping that would be provided under this bill is so small compared with the total amount of shipping on the ocean that it is impossible that it could have any material effect on ocean freight rates.

I was reading an editorial in a Democratic newspaper taking the Democrats to task for violating the traditional policies of the Democratic Party, and, in addition, trying to foist on the country a proposition which was economically unsound. It was simply a quotation from the paper.

Now, Mr. President, I have a few more extracts here which I wish to read into the Record. I am sorry I can not use all I have, but if I used every source of criticism of the bill which I have at my disposal here it would take until the 4th of March to complete my remarks.

This is from the Providence Journal, an active supporter, generally, of the administration:

It is no argument to say, as the President does say, of the critics of the administration: "Some of them are misguided, some of them are blind, most of them are ignorant." He "would rather pray for them than abuse them," he tells us. Why doesn't he, then?

The whole speech gives the impression of Executive irritation and impatience. Mr. Wilson has lately been pictured as impervious to criticism, but this Indianapolis utterance is an indication quite to the contrary. One can not help wondering how it looks to him in cold type.

From the New Haven Journal-Courier—an independent paper, I think—I read an editorial entitled "Leaves Friends Wriggling." It is as follows:

"LEAVES FRIENDS WRIGGLING."

In his announcement that he intends to be the captain of the team absolutely and in his sharp raps at the Republican Party it is doubtful if he made as many friends as he lost. And yet such results were to have been expected. His attitude on the shipping bill could not be called convincing; in the white light of facts unadorned it is doubtful if his remarks in that direction would get him anywhere worth arriving. His pronouncements concerning the future of Mexico left him open to criticism and put his friends in the position of having to exercise their

imagination in explaining his real position on the Mexican situation and the motives from which his conclusions proceed. Finally, the Jackson Day speech of the President leaves an impression of partisanship and egotism which is the food upon which his political enemies thrive and which leaves his friends wriggling a bit in their seats.

Not the only opponents of this project are the Democratic newspapers from which I have quoted, the trade journals, which know more about this question than do any others—the people who are directly interested in the shipping business—but all classes of people are opposed to it. In the Journal of Commerce of January 7 I find a long statement. The headlines are:

Exporters oppose Federal ship bill—Favor \$50,000,000 marine credit plan instead—Foreign trade factors unanimous in declaring that Federal owned and operated steamship line is a step in wrong direction toward reviving our merchant marine—Say law of supply and demand is responsible for prevailing high rates—Offer substitute plan.

Mr. SIMMONS. Mr. President—

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from North Carolina?

Mr. WEEKS. I yield for a question.

Mr. SIMMONS. I want to ask the Senator from Massachusetts if he will explain to the Senate what is that \$50,000,000 credit scheme that the article from which he is reading says the shippers prefer to the pending bill? I am not familiar with that \$50,000,000 credit scheme that the shippers are so much in favor of. If the Senator has any information in regard to it, I should be glad if he would give it to the Senate.

Mr. WEEKS. The only information I have on that subject, Mr. President, is the information I have already put into the Record to-day in a report, with recommendations by the Boston Chamber of Commerce. As it is in the Record, I think I will not repeat it; but that is the only evidence I have on that particular subject.

Mr. SIMMONS. Is that the proposition that the Government shall issue bonds to that extent and loan it to shipping companies to enable them to buy ships?

Mr. WEEKS. That was the proposition—that, under certain proper restrictions and regulations, on a certain percentage of the value of the property the Government should make loans.

Mr. SIMMONS. The shipping interests of the country are in favor of the Government doing that, but the shipping interests do not think that the Government in issuing \$50,000,000 in bonds and loaning it to them to buy ships will be in any way infringing upon the legitimate functions of government. They say they think if the Government buys some ships and owns them itself, instead of buying them and presenting them to the shipping interests, that it will be traveling upon untried and new and revolutionary grounds.

Mr. WEEKS. Mr. President, I am not entirely in sympathy with the suggestion made in the recommendation; I think it has very doubtful value; and yet, when the merchants of this country see the Democratic Party appropriating \$35,000,000 for building a railroad in Alaska and proposing to go into business in other directions, I think it must be admitted that the suggestion which they make in the recommendation is ultraconservative. They do at least provide in that suggestion that these vessels shall be available for naval purposes in time of need, and they do provide that the Government shall not be the entire stakeholder, but shall hold the first mortgage on the property, and that the vessels themselves shall have the benefit of the economies which go with private management rather than with Government management. So from any standpoint, whether one indorses it or not, it is preferable to the plan proposed in the pending bill.

I find in another column of the paper to which I have just referred—the Journal of Commerce, of January 7—this statement:

Experts condemn Government shipping bill—not practical as an emergency or permanent measure.

Of course, it is not practicable as an emergency measure. I expect to see those who are sponsors for this proposed legislation abandon the contention that there is any benefit whatever to come from this legislation as an emergency measure. It is not going to add a ton of shipping to the commerce of the world; and the available shipping that could ordinarily be purchased at reasonable prices, while an emergency is on would cost so much that, in my opinion, it would make it prohibitive. The headline of the article continues:

Creates no new tonnage, while at present all tonnage is being worked to the full limit—B. N. Baker's plan for chartering the Government ships—vessels could not be built in time for the present emergency.

Mr. B. N. Baker is a man who has had very much experience in the conduct of the mercantile marine. He was interested years ago in the International Co., and his judgment should be of considerable value. I understand that in the series of conferences which are being held night after night Mr. Baker's plan for providing for this expenditure of money is being



given consideration. It is better than the pending bill; it could not be worse. It is better than the pending bill, because it does not essentially put the Government into the operation of a transportation business. Under its provisions possibly we might avoid that unfortunate contingency.

Mr. MARTINE of New Jersey. Will the Senator permit me to interrupt him?

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from New Jersey?

Mr. WEEKS. I yield for a question.

Mr. MARTINE of New Jersey. The Senator views as a calamity the Government going into the transportation business?

Mr. WEEKS. I certainly do.

Mr. MARTINE of New Jersey. For one I can not share the Senator's view. I believe that it would be one of the greatest blessings that ever came to us if we should go into the transportation business.

The same arguments which are now advanced by the Senator were advanced when the parcel post was being advocated. It was said the parcel post was going to ruin the express business; that it would be a total failure; that disaster was sure to come; and many other prophecies of that kind were made. The reverse has been true. I believe that the United States Government is as entirely competent to engage in the transportation business as it was to engage in the post-office business, as it was to undertake the construction of the Panama Canal. I trust to live to see the day when the Government shall control the telegraph, when it shall control the telephone, and all such great public utilities. I realize, and I think the Senator from Massachusetts, coming from his splendid, progressive State and with his magnificent intellect and position there must realize, that the American people move, and that the world, too, is moving. Things which were regarded as heresy 20 or 25 years ago to-day are not only tolerated, but we all delight to engage in them and laud them to the skies.

Mr. WEEKS. Mr. President, if the Senator from New Jersey will honor me with his attention—

Mr. MARTINE of New Jersey. I have given strict attention to the Senator from Massachusetts, for I am always delighted to listen to him.

Mr. WEEKS. Before I complete this discussion I think I can demonstrate to his satisfaction that government management anywhere, under any circumstances, is the opposite of economical. I believe I can demonstrate to him that in only one or two instances anywhere in the world where there has been government ownership have profits resulted from government management. I will demonstrate, I believe to his satisfaction, that wherever there is government management, in comparison with the same conditions with private management, the private management is invariably more economical than is the government management.

Mr. MARTINE of New Jersey. I suppose government management may be carried down even to the result of municipal management, and I can cite many instances to controvert the Senator's proposition. New York, the city of my birth and only 35 or 40 minutes from my home, as I can very well remember, used to have ferryboats across the East River. There was a great howl when it was proposed to build a municipal bridge; but a municipal bridge was built. The suspension bridge across from the city of New York to Brooklyn was a municipal or city owned, or government-owned, if you choose—not owned by the United States Government, but a city-owned bridge. The result was that, though the charge, I think, was at first 5 cents for pedestrians to cross the bridge, in two or three years the pedestrians traveled across it free. We have built a dozen bridges since that time across the Hudson and East Rivers, every one being free to pedestrians. Had such bridges been owned by private corporations, old Tom Platt or the Vanderbilts would up to this time have been charging 15 cents for walking across them. I can cite the Senator from Massachusetts to myriads of instances of that kind.

Mr. WEEKS. I assume that this is a question. [Laughter.] I am very glad that the Senator from New Jersey instances the city of New York and its ferryboats in the suggestion that I might be wrong in the declaration that I have made. I have here before me the report of the department of docks and ferries of New York.

Mr. MARTINE of New Jersey. There is only one ferryboat running there, and that has been quite recently.

Mr. WEEKS. The Senator is wrong in that respect as he is in others.

Mr. MARTINE of New Jersey. I am not wrong as to that municipal ferry.

Mr. WEEKS. There are two municipal ferries in New York; their reports are before me; and they are the only ferries in New York which are not operated successfully and profitably.

Mr. MARTINE of New Jersey. Well, I should like to ask the Senator, Mr. President, what constitutes "successfully and profitably"? It is a horrible thought that everything must be measured in dollars. I can imagine profit to the people without reference to dollars if a service facilitates intercourse and facilitates trade and commerce. Whether it will be productive in dollars and cents appeals to me but little, if the community is made better industrially and happier and if the general welfare is enhanced. I say advisedly that every instance of municipally owned utilities, so far as I know, has resulted in lower rates to the consumer, better wages and shorter hours to the laboring man, and better results in general. The Senator may point me to the case of the gas works in Philadelphia, but that is obnoxious in the eyes of every fair-minded man.

Mr. WEEKS. There is one other thing, Mr. President, that the Senator failed to mention that has resulted from all this, and that is the taxation of the many for the purpose of making up the deficit caused by municipal operation.

Mr. MARTINE of New Jersey. God knows, any such suggestion as that comes with ill grace from a high-protective tariff monger.

Mr. WEEKS. Mr. President, I was pleased and somewhat amused to have the Senator refer to the operation of the Post Office Department in connection with this matter. I happen to have here the report of the Postmaster General, a good Democrat himself, and here is what he says about the economical management of the post office. I hope the Senator will listen and bear with me while I read it.

The importance and value of the Rural Mail Service is unquestioned. It improves the condition of farm life, tends to check the movement of the rural population to the congested urban communities, and is therefore a recognized economic necessity for the best interest and development of the entire country.

We all agree to that.

The inauguration of this service and its rapid extension have been justified on the ground of public policy. However, I deem it my duty to direct the attention of Congress to the fact that this service is entailing upon the Public Treasury an annual expense of \$40,000,000 in excess of the revenues produced by the service.

The methods employed in providing these necessary and desirable facilities have been subjected by me to a rigid examination with a view to ascertaining whether an equally satisfactory rural service can not be provided at a less cost. House-to-house delivery and collection of mail in rural districts is now provided in two ways—first, by letting contracts to the lowest responsible bidders for specified performance over certain routes between post offices, and, second, by employing carriers at salaries fixed by law. The contract method is known as "star-route" service, the other method as Rural Delivery Service. "Star-route" service is designed primarily for the transportation of mail between post offices, and can not under existing law be extended to routes other than those leading from one post office to another or from a post office to a railroad station or steamboat landing; hence the route traveled by the "star-route" carrier is determined not by the density and distribution of population in rural districts, but by the location of post offices. Rural Delivery Service, on the contrary, is designed primarily for the house-to-house delivery and collection of mail and is used only incidentally in some instances for the transportation of mail in closed pouches between post offices. The cost of the service on the "star routes" averages 9.96 cents per mile traveled, compared with 14.77 cents per mile for the Rural Delivery Service, a difference in favor of the "star-route" service of 4.81 cents per mile. Applied to the entire rural service, this would make possible a saving of from \$15,000,000 to \$20,000,000 annually. Furthermore, as shown elsewhere in this report, the annual cost of Rural Delivery Service is increasing rapidly.

Now, Mr. President, I want to call to the attention of the Senator from New Jersey the fact that that is the inevitable result of Government operation.

Mr. MARTINE of New Jersey rose.

Mr. WEEKS. Just a moment. There is always the pressure for more service, always the pressure for increased pay, always the pressure for a greater number of employees, and invariably the pressure for lower rates to be charged for conducting the traffic, invariably bringing about a deficit in the service, to make up which all the citizens are taxed.

Mr. MARTINE of New Jersey. Mr. President, if the Senator will permit me—

Mr. WEEKS. I yield for a question, Mr. President; I do not wish to be taken from the floor.

Mr. MARTINE of New Jersey. I do not desire to take the Senator from the floor, but I want to know whether the Senator does not believe, even admitting that the Rural Delivery Service entails a cost, as the Senator alleges, of \$40,000,000 a year, that it is worth every penny of its cost, and whether the Senator from enlightened Massachusetts would cut off that service even if it cost twice \$40,000,000? We have a hundred million people in this country who have been blessed by the parcel post delivery and who have been blessed by the general Postal System of this country, and even though rural delivery may cost \$40,000,000, I would vote to-day to decrease the postage rate, if pos-



sible, to 1 cent instead of keeping it at 2 cents. I believe the greatest civilizer, the greatest machine for the advancement of the well-being of every man, woman, and child in this country is the opportunity through mail facilities of free communication, whether in the shape of printed matter or that which may be written. I am familiar with the proposition leading up to the suggestion of the Postmaster General in regard to a contract system, but I can not agree with him. He has given the question very great study, but I do not believe that it would be wise or that it would be advantageous. For many years I have been in favor of municipal, State, and Government control, and every instance that I have seen of such control has resulted in the betterment of the people. The question narrowed down to dollars is hateful to me.

Mr. WEEKS. Mr. President, it may be hateful to the Senator, but that does not remove the fact that economy in management is a necessity, or bankruptcy will follow the conduct of governmental affairs.

Mr. MARTINE of New Jersey. I agree to that.

Mr. WEEKS. We are near enough serious trouble with our revenues to indicate to the Senator from New Jersey and to every other responsible man that the time has come when we must look to the side of economy as well as to that of development.

Mr. MARTINE of New Jersey. I am thoroughly appreciative of that fact, and I will use every reasonable means to economize, provided the economy is not to the detriment of the welfare of the people.

Mr. WEEKS. Mr. President, the Postmaster General, representing this administration, tells the Senator that he can get more service for \$20,000,000 less than it is now costing. What is he going to do about that?

Mr. MARTINE of New Jersey. It depends upon the channels through which he proposes to get this service. I would not permit the United States Government, if I could help it, to get that service \$20,000,000 cheaper by adopting a method that would result in making the official letter carriers of the United States advertising agents for any private corporation.

Mr. WEEKS. Now, Mr. President, I will resume reading some of the clippings in criticism of the pending bill that I have here from newspapers friendly to the administration. This is from the Brooklyn Eagle, of Brooklyn, N. Y., a Democratic paper:

#### EASY ENOUGH TO ANSWER.

With what may be called his customary inflexibility, the President will push his merchant marine bill. And with even more than his customary warmth, not to say heat, he assails those who are opposing it. He asks who commissioned them to stand in the way. Charging them with defying the Nation, he warns them that their credentials will be badly discredited, if they succeed. Contemptuously, he dismisses them as the self-styled friends of business.

Answers to this vigorous bombardment will not long be delayed. Part of the answers will or should be that Senators who object to the bill hold unimpeachable credentials or commissions. Another part of it will or should be that their right to believe the merchant marine measure to be harmful, to be detrimental to the interests of the country, and to say so, is as indisputable as that of the President to fight for its passage. It does not follow that Government ownership and operation is wise because the President declared it to be so.

From the New York Evening Post I desire to read a brief extract. The matter I am reading is from selected papers, which are not indulging in invective but in argument; and I believe I may say with confidence that it will add to the knowledge of any Senator to listen to what I am trying to lay before the Senate. This, as I have said, is from the New York Evening Post, a paper which has heretofore been a supporter of the administration since it came into power:

#### SPEAKING WITHOUT KNOWLEDGE.

With reference to the shipping bill we feel bound to say that, both in tone and substance, the President's remarks—

Referring to his address at Indianapolis—

were utterly unbecoming the issue with which he was dealing. It may be that if the shipping bill could be submitted to the decision of the American people they would show themselves to be in favor of it, but to speak of the men who in the Senate are opposing the passage of this bill as a minority which dares "to defy the Nation" is to speak without the warrant of knowledge and to attempt to exercise a kind of pressure which those gentlemen would be thoroughly justified in resenting. As for the situation which Mr. Wilson alleges to exist, and to justify the rushing through of the bill as an emergency measure, what could be more fantastic than his description of it on the very day when the price of wheat at Chicago was passing the \$1.40 mark and beating all records for a generation? If the farmers are not getting any profit out of wheat at present prices it must be from taking in each other's washing that they are earning the money with which to buy their automobiles and grand pianos.

From the New York Sun I read the following:

#### HIS FIRST ESSAY IN BUSINESS.

In his speech at Indianapolis, President Wilson said:

"I want to ask the business men here present if this is not the first January in their recollection that did not bring a money stringency for the time being because of the necessity of paying out great sums of

money by way of dividends and the other settlements which come at the first of the year?"

Mr. President, that is one of the most remarkable statements that ever was made by a public man. Why there should be rejoicing by anyone or an intimation of rejoicing because the returns on capital in the great corporate interests in this country were lower this year than in some other year is beyond the comprehension, I believe, of anyone.

Mr. SHIVELY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Indiana?

Mr. WEEKS. I yield for a question.

Mr. SHIVELY. What is there about that statement to justify the Senator in placing any such construction upon it as he has seen fit to place?

Mr. WEEKS. I read the statement which is a quotation of what the President said.

Mr. SHIVELY. That is just what makes it appear astonishing that the Senator should put that construction on the President's words.

Mr. WEEKS. I do not mean to say that the President rejoices, but that he should cite a lessening of the prosperity of the country as a reason for getting over what has ordinarily been a critical period borders on the grotesque, in my opinion.

Mr. SHIVELY. Mr. President, I do not care to interrupt the Senator further, if he does not care to be interrupted.

Mr. WEEKS. I am quite willing to be interrupted for a question.

Mr. SHIVELY. The President's statement was quite the reverse; that theretofore there had been stringency, harmful stringency, at a certain time of the year when these settlements were made—

Mr. WEEKS. Due to the fact that large dividends were being paid.

Mr. SHIVELY. Not due to the fact that large dividends were being paid, but due to the fact that dividends were being paid; that that was the time of the year when certain financial transactions had to take place; and that it was a matter of rejoicing if it were true that the same embarrassment was not felt at that time of the year because of the changed financial system and not because of the changed or depressed conditions.

Mr. WEEKS. Mr. President, I hope the Senator will take the trouble to read that paragraph and I think he will come to the conclusion which I have indicated.

Mr. SHIVELY. I have read it.

Mr. WEEKS. This editorial from the New York Sun goes on to say:

Does the President recollect any January in many years when there was so little need of money to pay dividends because there were so few and such scant dividends to pay?

The President reiterates in plain speech what he once turned into a neat epigram:

"There is nothing the matter with American business except a state of mind."

Psychology, of course. It is the President's contribution to the relief of the situation. By the way, in the next breath he added:

"I never was in business."

He is manifestly in business now, and means business in 1916.

Mr. President, I want to refer briefly to the report of the committee on American merchant marine in the foreign trade of the New York Chamber of Commerce. I happen to know a majority of the members of that committee, and I know they are thoroughly qualified experts on the subject of foreign trade and the merchant marine. They are the kind of men who, if the Senate Committee on Commerce had seen fit to summon them, could have been brought to Washington and would have given the committee a good deal of useful information which could be employed in this debate and which, in my judgment, would have brought about a better bill than the one we are now considering. I want to refer very briefly to two or three of the contentions which they make in their report.

#### To the Chamber of Commerce:

The war in Europe has centered attention in this country upon our lack of a merchant marine. The problem, while present in the public mind to some extent for years, had not been brought home forcibly to all parts of the country as has been done by the partial tying up of the commerce of the world, and the consequent inability of this country to find neutral tonnage to carry its products to foreign markets. This sudden shortage of vessel tonnage resulted in an abrupt advance in freight rates, making it possible for the first time in years for American vessels to engage profitably in foreign trade.

The conditions to-day are recognized by all to be abnormal, and to some extent unsafe, as a permanent basis for the reestablishment of our merchant marine; but they are certain to continue, so long as a state of war exists in Europe, and probably, because of the wastage of vessel property during the conflict, for several years after it ends.

The return to normal conditions in Europe must be gradual. Industries, to-day prostrate, must be reconstructed. Cities which have been laid waste must be rebuilt. The products of Europe will not equal the demands of that Continent; and the cost of shipbuilding which has already advanced 20 per cent in England, will continue for some time upon a higher level than has been normal in the past. It seems, there-



fore, that the immediate future affords an opportunity that ought to be availed of to reestablish our foreign merchant marine and the ship-building industry of this country.

The problem under the most favorable conditions is difficult; but it is rendered less difficult by the unusual conditions which now exist. That a merchant marine is to-day desired by the American people can not be denied. There are some who, while recognizing all of the difficulties, believe that our shipping should be reestablished by Government aid, no matter what the cost may be. There are others who think that the industry should be left to work out its own future and be reestablished only if it can be done without Government aid. A third element, representing perhaps the greater part of the people of the country, believe that reasonable Government aid should be extended to reestablish so important an industry, and are willing that substantial Government assistance be extended during the development period, if a wise method can be suggested.

Your committee, while sharing to the fullest extent the desire of all citizens to see the American flag and American shipping again upon the high seas, recognizes that the problem is one of business; and that an American merchant marine to be permanent must justify itself in competition with ships of foreign nations. Your committee believes that American shipping can justify itself upon this basis, once the development period has been passed, and feels that advantage should be taken of the present exceptional opportunity to place American vessels in competition for the commerce of the world.

Before proceeding to a discussion of the methods which seem practicable, we desire to place ourselves on record as opposed to Government ownership and Government operation of vessels. We do not base our opposition to this principle upon the ground that a Government department can not operate vessel property as cheaply as private owners, although we have grave doubt of the ability of the Government to meet the economic standards of successful private enterprise. We base our objections on the much more fundamental principle in this instance that Government competition in this field of industrial effort will, in our belief, defeat the ends which it is sought to attain.

The American people desire not only to see the American flag upon the high seas, but to see American commerce restored to a position of supremacy. England alone has over 4,000 steamers engaged in foreign trade, and to meet, and ultimately outdistance, competition of this character, will require an enormous investment of American capital and energy. It is impossible to conceive that Government ownership and operation can be successfully extended to cover so vast a field; and the moment it is invaded by the competition of public capital, American private capital and energy, so essential to the successful restoration of our merchant marine on any adequate scale, will decline to enter the field. We have in New York City an example of the operation of this principle. The municipality has begun the construction of wharves and piers, for the accommodation of freight vessels. Private enterprise has refused to meet the competition of public capital and untaxed property, and the construction of wharf property through private effort has ceased. The city has been unable to keep pace with the demands of shipping, and commerce is already beginning to suffer from a shortage of pier property.

That is one matter which I have indirectly called to the attention of those in charge of this bill—that one of the first and most essential requirements in establishing shipping lines is either to own the piers at either end of the route of transportation or to control them for a long period of years. It would be extremely hazardous to undertake to establish a business without either ownership or an extremely long lease, and yet these members of the New York Chamber of Commerce are saying that it is extremely difficult to get pier locations within the district which would naturally be served by shipping engaged in foreign commerce.

Mr. MARTINE of New Jersey. Mr. President, I trust the Senator from Massachusetts is not unmindful of the fact that the municipality of New York have built the most superb dock system, known as the Chelsea Docks, at Twenty-third Street and thereabouts that there is in existence in this country or elsewhere. Of course, the whole water front of New York has not been encompassed at once; but that which has been done, a very considerable amount of it, is the most superb that has been created, and it is a success so far as merchandise and transportation are concerned.

Mr. WEEKS. Mr. President, I have not seen the financial statement—

Mr. MARTINE of New Jersey. O Lord, money! [Laughter.] I do not know what it may have cost, but it is there, a monument, and will prove a blessing to the trade and commerce of the great city of New York.

Mr. WEEKS. Mr. President, I shall take occasion, before I resume my remarks at another date, to look over in detail the statement of the dock system. I did look at the figures somewhat casually. I have them before me. I should exceedingly dislike to see any community in which I am interested engage in an enterprise which showed such material losses as a result of operation as does the department of docks and ferries of New York City.

To continue my reading:

The present administration has suggested that \$30,000,000 be invested in Government-owned vessels. If this be done, a small fleet will be created; but the feeling that the Government may from time to time add to this fleet and enter more extensively into competition for the ocean-carrying trade will prevent the participation of private enterprise in solving this problem.

Your committee submits that the same sum, if set aside as a guarantee fund and invested in Government bonds or other income-bearing securities, to be administered by a central board, having the same fostering relationship to the building up of our commerce and shipping as the Federal Reserve Board has to our finance and banking, will accomplish infinitely greater results. This guaranty fund could be

administered along lines which have been in successful operation in a different field for a hundred years, namely, in relation to mortgages upon real estate. The Credit Foncier in France and other companies which guarantee mortgages upon property in the Argentine, Canada, and elsewhere, are well known; but the best illustrations for local purposes are the various mortgage-guaranty companies of this country. A loan is perhaps made at 5 per cent. The mortgage is guaranteed by the company and sold upon a  $\frac{1}{2}$  per cent basis, the guaranteeing company making one-half of 1 per cent annually upon each mortgage as a compensation for its guarantee and its services. Its services consist in collecting the interest, seeing that taxes and assessments are paid, and that the insurance is maintained.

An example of the successful operation of such a company is the Bond & Mortgage Guaranty Co. of this city. That company began its operations 22 years ago with \$1,000,000 capital and a small surplus. It has guaranteed within that period about \$750,000,000 of mortgages, many of which have, of course, been paid off. It has outstanding approximately \$250,000,000 of guaranteed mortgages. Its present capital is \$5,000,000 and the combined capital and surplus exceeds \$10,000,000.

That is not entirely along the same lines as a suggestion in the report of the Boston Chamber of Commerce, to which I have referred. I do not entirely indorse it. I do not know that I would indorse it at all if I had thoroughly investigated it; but that shows the folly of attempting legislation of this kind, or even of substituting suggestions made by others for what is now pending, without the fullest investigation, based on the authority of those men who have had experience with its operation and can give us expert testimony.

Among other items which should receive its consideration is the maintenance of standards for the personnel of the officers and men of the merchant marine. The school ships maintained by Massachusetts and New York are educating officers for the merchant marine. They are doing a most useful and necessary work. Thousands of young men throughout the country are ready for the call of the sea, and are animated by the same spirit which filled the forecabin and quarter-decks of the American vessels 50 years ago. Other ships of this character should be established and the course of training amplified to make the graduates fit both for the merchant marine and the Navy. There are discharged from the Navy each year about 4,000 young men who have enlisted from all parts of the country. These men have had a most valuable training in the Navy, and should be encouraged to go into the merchant marine service. Many foreign nations encourage the creation of such a naval reserve by paying a small additional wage to men honorably discharged from the Navy, who continue a seafaring life and hold themselves in readiness as naval reservists. This practice is worthy of serious consideration.

The second step in reestablishing our shipping consists in creating conditions which will attract steamship men to make use of the credit machinery thus established and to create the vessel property so urgently desired. This again divides itself into two parts—regular lines carrying passengers and mails, and freight steamers.

It goes on, Mr. President, discussing the various phases of the two steps to be taken relating to those different classes of transportation facilities. I think, without reading more, I shall ask permission to insert the balance of this report in my remarks.

The VICE PRESIDENT. Without objection, it is so ordered. The matter referred to is as follows:

We will discuss the regular lines. Public attention seems centered at the moment upon trade with South America, and we will, therefore, take lines to that part of the world as a type for consideration, although a similar service may be established to many other countries with the same class of vessel.

We desire first to point out that there has been a general misunderstanding of the added cost of operating American vessels as compared with the same vessel under a foreign flag. It has been frequently stated and generally accepted that the operation under the American flag will cost from 40 to 50 per cent more. We believe this percentage should be applied to wages alone, for the cost of fuel, supplies, insurance, and upkeep is substantially equal for the same vessel in the same trade, regardless of flag.

On passenger ships, where the wage item may be a larger percentage of the total operating cost, the difference in favor of foreign vessels is somewhat greater, but with strictly freight carriers your committee is informed that the disadvantage under which American tonnage must labor is 5 and 10 per cent of the total operating cost. Even in passenger vessels of a type suitable for South American trade, the disadvantage probably does not greatly exceed 10 per cent. These estimates take no account of the difference in interest, if the American vessels be constructed in this country, for that subject will be treated under a separate heading.

This difference in operating cost, while less important than has been generally understood, is still sufficient to discourage the operation of American ships, and is frequently the margin between profit and loss. Your committee, therefore, is of the opinion that it is idle to expect that American lines, of passenger and mail steamers, can be established, even though credit machinery, to make easy their financing, be created, without some measure of Government aid. It must be borne in mind that the new lines must enter into immediate competition with long-established foreign-owned lines, with experienced agents at ports of call, and with contracts which can not be easily disturbed. The new lines must fight their way into the trade.

It seems desirable that as few changes in existing laws be made as is possible. The present ocean mail act permits the payment of \$4 per mile to mail vessels of 20-knot speed. A speed of 20 knots is in excess of any yet established in the South American trade, and beyond present reasonable requirements. The cost of maintaining such speed upon long voyages is to-day prohibitive. A vessel capable of making 16 knots, and running regularly at 15, will meet all requirements and be slightly better than competing lines under foreign flags. In services of this character it is not so much extreme speed which is required but regularity of service.

We therefore suggest that the requirements be reduced to a trial speed of 16 knots and the compensation be left as at present. There are many countries to which an even less speed will answer all purposes, and we suggest that the speed requirements for vessels of the second class be reduced from 16 knots to 12 knots and the subvention



of \$2 per mile left in force. It must be remembered that these subventions are not payable to all vessels, but only to lines operating under contract, a service asked for by the Government. We have been assured by steamship men of experience and standing that if this be done, there can be no doubt that advantage will be taken of the credit machinery before outlined and a number of lines established.

A reason for the extreme speed heretofore provided for has been the desire of those connected with the Navy to see constructed vessels of sufficient speed to be of use as commerce destroyers in time of war. Your committee would point out that if such vessels are necessary, it is not a sound economic policy to operate them in a trade for which they are not suited at a large annual loss. They should be either constructed for trans-Atlantic service, where such speed is necessary, or built and maintained by the Government for naval uses. Your committee expresses no opinion as to the necessity for such vessels, for it is not considered a part of the economic question under consideration. We desire to point out, however, that there is only one line of American mail steamers between this country and Europe. These steamers are approximately 20 years old and are rapidly wearing out. The time is not far off when the service must be discontinued or new vessels provided. If commerce destroyers are a necessity, it may be desirable to arrange for new vessels for a trans-Atlantic service. If this be done, your committee sees no other method to adopt than to provide for the payment of a sufficient subsidy to maintain in service such vessels as the Government may require. The construction of such vessels would assure the Government an American mail service to Europe, gratify national pride, and meet naval requirements. They are not, we repeat, a necessary part of the present problem.

In making these suggestions we are not unmindful of the apparently deeply rooted objection in the minds of many of the citizens of this country to the payment of subsidies. It is a practice susceptible of such abuse that we suggest, rather than recommend, the only method which seems to promise the immediate construction of passenger and mail steamers and at the same time conform to economic standards.

Your committee desires to make clear that it has endeavored to avoid the pitfalls of recommending radical legislation. It recognizes that there is a wide difference of opinion as to the best method to be employed to reestablish our merchant marine. It has given consideration to all methods which have been suggested, and the creation of preferential duties, under which our merchant marine flourished during the first half of the nineteenth century, has been carefully discussed. A preferential duty of 5 per cent has been authorized by Congress, and the question of the legality of the measure is now before the Supreme Court of the United States. In due course a decision will be rendered, and it seems useless to discuss such a measure until such decision has been handed down. We have also given earnest consideration to the arguments of those in favor of the Alexander bill as it now stands—January 1. We recognize that this bill is considered an administration measure and has been approved by President Wilson. For this reason we have endeavored to convince ourselves of its merit, but have been unable to agree that a sufficient crisis exists to warrant the enactment of a law which departs from established economic standards and may do grave injustice to those citizens who already own vessel property. It is stated that the people of this country are against taxing themselves in order to provide subsidies for steamship lines, and it is suggested that they tax themselves to operate Government-owned lines admittedly at a loss. We fail to see the difference, except that the latter plan carries with it evils far worse than a lack of American ships on the sea.

Government ownership of ocean lines can not bring to our aid a single vessel, except by building. Every steamship in the world is working to-day, except those interned in neutral ports. If these can be transferred to our flag without international complications, there will be no difficulty in financing the transfer of those suitable for freight carrying, for their earnings will justify the purchase. If they can not be transferred without trouble with England and France, it is certain we do not wish the United States to become their owner.

The construction of vessels designed to carry freight only is, we believe, attended with less difficulty than the establishment of regular passenger and mail lines. As we have pointed out, the item of wages on vessels of this character represents a smaller percentage of the total operating cost, and the disadvantage under which American vessels labor is in the neighborhood of 5 per cent of the total operating cost. Under conditions existing in the past even this difference would prevent the engaging in foreign trade of American tonnage, but it is the conviction of your committee that conditions will not again be normal for a number of years, and that if credit machinery be created to enable the steamship men to finance American steamship enterprise, sufficient inducements will exist to assure the construction of a substantial tonnage of freight vessels without the payment of subsidy.

In any event it is the opinion of your committee that it is not necessary at the present time to provide subsidies for freight vessels. Their earning power, so long as the war continues, will be more than ample, and the slight disadvantage in operating cost is at least partially offset by economies in interest made possible through an application of our plan to guarantee steamship bonds. There is, of course, a wide divergence of opinion as to how long the war will last and of the probable condition of foreign shipping at its close. A large tonnage has already been destroyed, and it is the opinion of some experienced steamship men that the operating cost of foreign vessels will be higher than it has been in the past for years to come.

Your committee has been advised of plans for the establishment of certain freight lines, which are already under consideration without subsidy. The difficulties which lie in the way of the immediate carrying out of these plans are two-fold: First, fear of Government competition, and, second, the difficulty in interesting American investors in the securities. If these two difficulties are removed, we feel confident a beginning will be made and the consideration of any subsidy for freight vessels may be safely postponed for a year at least, when the matter can be again taken up and judged from the standpoint of conditions existing at that time.

You will note that no reference has been made as to whether the proposed tonnage should be constructed in American or foreign yards. Discussion of this matter has been omitted for two reasons: First, amendments have already been made in shipping laws permitting the acquisition of foreign-built tonnage for a limited period, and, second, it is quite possible that a condition may arise in the near future which will make competition for vessel construction by the yards of this country much less difficult. If a substantial tonnage is to be created, it is idle to suggest that it be entirely constructed in this country, for the facilities do not exist for the work. The building up of a shipbuilding industry, like the construction of a fleet, will require time. If a large tonnage built abroad is placed under the American flag, the

necessary repair work will be an important aid in establishing American yards upon a basis where they can compete with foreign shipbuilders. The inability of the American shipbuilder in the past to compete with foreign yards has been partially due to the fact that there has been but a limited demand, and only for vessels of special construction.

The American manufacturer in many fields of industry has shown his ability to compete and outdistance the foreign manufacturer of any article which can be standardized and produced largely by machinery. The automobile industry is a recent illustration of this principle. The raw materials needed for ship construction are all available, and it is the opinion of your committee that if a demand arises for the construction of a large number of freight vessels more or less of the same general type, and therefore standardized in character, the American shipbuilder will have less difficulty in competing for ship construction, the foreign cost of which, as we have already pointed out, is 20 per cent higher than at the beginning of the war.

Your committee is not unmindful of the fact that this view may be unduly optimistic, but in view of all the circumstances surrounding the present situation we are inclined to recommend that the specific provision that part of the tonnage to be operated under the American flag be constructed in American yards be deferred until the immediate future can be more clearly foreseen and we approach the time limit set by the recent amendments permitting the acquirement of foreign-built tonnage.

Many other phases of this question have also been considered and discussed by the committee, but we have kept always in mind our desire to present only practical suggestions for taking a substantial step forward.

Your committee moves the adoption of the following resolution:

*Resolved*, That the Chamber of Commerce of the State of New York approves these recommendations and authorizes the special committee on the American merchant marine in the foreign trade to urge upon Congress the enactment of legislation in accordance with the principles and methods outlined in the foregoing report.

IRVING T. BUSH,  
WILLIAM HARRIS DOUGLAS,  
GEORGE S. DEARBORN,  
JACOB W. MILLER,  
J. TEMPLE GWATHMEY,

*Special Committee on the American Merchant Marine  
in the Foreign Trade.*

NEW YORK, January 4, 1915.

Mr. WEEKS. Now I wish to discuss some phases of Government ownership and operation.

We have a distinct and definite policy in regard to our conduct relating to corporations—that of regulation and supervision—a policy which is not peculiar to our General Government, because it is found in many of our States and in most foreign countries, especially those where government ownership has not become a dominating policy.

In one department we do conduct a service which is commercial in many respects—the Post Office Department. But that is common to all countries of the world, the reason in all cases primarily having been the carrying of the Government's mail, and this has been extended from time to time to cover letter mail, newspapers, books, and other reading matter. Latterly we have increased the fourth-class service which heretofore we have given by adopting a general parcel-post law similar to the methods which have been followed by other countries, but there has always been the excuse in these extensions that we had established a service which was not being worked to its fullest capacity and that private companies operating in the same field produced a duplication which did not conform to general economy, although even in this case it should be noted that we have used the transportation facilities furnished by public-service corporations for transporting the article, the Government simply furnishing the employees and the methods for distribution.

Now it is suggested in this bill that we go into a transportation business, not in a field which we can control, but to enter a field where the competition in the past has been so keen that under the laws for which Congress is responsible we have been unable to effect a foothold, or possibly to go into competition with our coastwise shipping, a field which is now dominated by our own people and where a reasonably good service is furnished at reasonable rates. No other country, with a few exceptions like the river steamers on the Danube, which are controlled by one of the Balkan States, has attempted any such action, leaving this field to private capital, assisted by the Government either through subsidies, mail subventions, preferential rates, or in one case a direct loan to a company to build equipment; but in all of these cases of assistance the Government has based the reason for giving it not only on its desire to maintain such an industry as one of the industrial features of the country, but because it has given it a call on vessels which could be used for auxiliary cruisers, and thereby become efficient aids to the navies of their respective countries.

I propose to treat this question from the general standpoint of the propriety of a government engaging in business, which I deny, and to illustrate the failures in this respect, which failures would be tremendously emphasized in this country on account of our form of government. If it is desirable for us to engage as a Government in the shipping industry, it may be argued with some force that a similar course might wisely be taken in the case of railroads and other public-service cor-



porations, which, in my judgment, would produce a condition coming near to the destruction of personal initiative in business, and which would even shake our governmental system to its foundation. It would be the height of folly to undertake such a revolutionary course unless it has been completely demonstrated that the present methods of ownership of public utilities have failed, producing results which do not meet the transportation needs of our people.

Assuming that that can be demonstrated, then we should turn to the results of Government ownership in other countries, apply the conditions found there to our facilities, and try to determine whether such a change under those conditions would be a success. Have the rates of public-service corporations in the United States been higher than those abroad, other conditions being equal? Are there better methods for rate making in the cases of Government ownership than those which prevail in the United States. Are the wages of labor in other countries higher than our own? Is the cost of supplies greater than our own? Are railroad corporations in other countries maintained at a higher state of efficiency in their physical properties than ours? Do railroads in other countries provide and maintain a higher class of equipment? Do they pay the State higher or lower taxes? Is the interest on the indebtedness incurred in building the road at a higher or lower rate? These are all questions which must be taken into account in determining what course we should take, and not only these but many others, and especially one, which has been brought prominently to our attention in recent days—that is, the fixing of rates by the Interstate Commerce Commission, which will enable corporations to maintain their physical and financial integrity in periods of depression. Then, we must necessarily deal with the relative qualities of Government and corporation labor.

It must be apparent to all of us that the maximum wages in the Government are very much lower than those obtained in private employment, while the minimum wage in the Government employ is very much higher than that obtained in private employment. For example, there are many competent and industrious men in the Government service in Washington who, in my judgment, if they had the courage to cut loose from it, would be able to earn more money in private employment—of course, without the certainty of continual employment that they find with the Government, but in many cases a very large increase would result. Some of the highest-paid officials in the United States to-day are men who at one time had been in the Government service. That condition makes for a constant trend of the competent to pass from Government into private enterprise, while it makes a fixture of the mediocre, who either have not the initiative or the courage to take the step; then, it must be equally apparent to everyone that the longer such men remain in the Government service the more inclined they are to become fixtures, losing all of their initiative and developing an official inertia which is destructive to every element of individual enterprise. The civil service does not remove the bad features of this condition; in fact, it accentuates them, because it gives a permanency and certainty which was not found under the old spoils system, and there is therefore not the inducement for a Government employee to bring out the best there is in him which existed when his tenure in office depended on his activity and personal enterprise.

Then again, whenever we add to the permanent Government employment we add an element which is going to confound and, if followed sufficiently, is going to perplex our whole governmental operations. We see to-day the political pressure brought by any organization of Government employees sufficiently numerous to be found in many sections of the country. This is apparent in the case of governmental industries, like arsenals and navy yards, in the effect which it has on the action of those directly representing such institutions. However, it is more pronounced in the Post Office Service than in any other, because there are a greater number of employees, and one of the best illustrations that can be advanced, and one which it seems to me negatives very largely the force of the recommendations made by the President in this case, is that of the Rural Delivery Service. It was contended by those active in establishing this service and those who wished to limit the methods of its operation that there would be a constant pressure for higher salaries, and I recall that the chairman of the Post Office Committee of the House even held out as an argument against a general adoption of salaries rather than the contract system the fear that some day the employees in this service would be paid as high as \$1,000 a year. Yet, in 15 years we have seen the salaries advanced from a very moderate

and insufficient initial salary of \$400 to \$1,200 a year, and the desire, which is natural, I think, for even a higher salary than that is sufficiently pronounced so that Congress will have to meet that proposition in the near future. And to-day, Mr. President, the Postmaster General is telling Congress that if this service were contracted instead of being operated by the Government there would be a saving of more than \$18,000,000 a year, or substantially 40 per cent of the entire cost of that service. Although he is recommending a change in the method of conducting the service, and he belongs to the dominant party, having a very large control of both branches of Congress, his suggestion has and will have substantially no support, because the whole weight of the influence of the organized body of rural-delivery carriers, numbering some 45,000, is opposed to it, and Representatives and Senators will not imperil their political future by taking action which they know will be likely to mean their retirement from political life.

If that is true in the case of comparatively a few bodies of men, what would be the result if we took over the railroads of the United States with their 1,700,000 employees and thoroughly organized? It goes without saying that there would be constant pressure on the part of everybody holding important office for increases in salaries, changes in location and operation, for better conditions here and there and everywhere, and the Representative who did not respond favorably to this demand, opposed by the demagogue willing to promise anything to get political position, without any regard to the integrity of the Government's operations or Treasury balances, would be almost certain to be succeeded by such a man, although the employees of our railroads are among the best types of our citizens. Personal gain or personal advantage, the hope of obtaining some reward from the Government does not stay the hand or the action of any class of citizens, except in individual instances, and the pressure in such cases would be such as to destroy not only the financial integrity of the operations of such a public-service corporation as a railroad, but would measurably affect the efficiency of the Government itself.

But even if this were not true, is there any probability that Government officials can be found to take the important places in managing large affairs at the moderate salaries which could be paid or will be able to solve any kind of a transportation problem better than the better paid private individuals who have spent a lifetime in such attempts? They must go to the same source of information for their knowledge; they have not and will have no peculiar or unusual facilities for obtaining it, and the problem of obtaining effective service would not be simplified, but, in fact, would be complicated, and the possibility of efficiency would be lessened by such change. As a general proposition, how would it affect the mercantile community, which is influenced by variations in business and by inflexible rates? It is necessary in governmental operations to prevent shortages, to make rules imposing conditions outside of which Government employees can not go. This very fact creates a system of red tape which means inflexibility, which in itself is destructive to the best business results.

Even in the systems of State railroads which have been most successful, notably in the case of Prussia, great pains have been taken to produce a system of boards in executive and advisory capacities, bringing to bear all of the varied knowledge of different classes of men in different occupations in order to make a flexible railroad rate which will bring about the best industrial results. I intend to point out in some detail the methods employed in this Prussian system and will endeavor to show from it not only the necessity of providing such combinations of boards but the impossibility of obtaining efficient results unless it is done and how nearly impossible it would be to develop such conditions under our system of government.

I use the Prussian railroad system because, in my judgment, it is the most effective Government owned and operated system in the world and is substantially the only one that shows results, either in the development of the country for the benefit of the people or in the financial results, which are in any degree satisfactory.

If the recent rate decision and the time it has taken the Interstate Commerce Commission to reach it is any criterion of what we might expect under similar conditions, how would it be possible to adjust rates to local needs under the varied conditions which we find? There has been no effective way of building up local industries or new and developing communities without establishing rates which would develop both the industry and the community. That has been done to a measurable extent in the United States with success, but under our present system of rate making any such policy is greatly hampered, and if the Government were alone responsible for making the rates I believe



it would be impossible, as a practical measure, to maintain a rate which would be beneficial to one community and apparently antagonistic to another; and I am not in favor of it, either.

We have removed many of the unfair methods employed in the operation of railroads, such as rebates, and yet to successfully operate the railway system of the United States so as to best conserve and build up the interests of the whole country it would be necessary to make rates which would apply to local conditions not only in normal but in abnormal times. For example, if there was a great failure of the crops in the section southwest of Kansas City, it would be desirable to provide a modified rate not only to take material into that section but to transport people from it who might temporarily desire to find employment elsewhere. That general policy has been carried out in some instances where there has been Government ownership, but it has invariably been done in countries where the military system of government has been its vital feature.

If under conditions which exist to-day a shipper objects to the rates charged or the methods employed he has an opportunity to make an appeal to some kind of governmental action, and in time he can obtain redress if he has a reasonably good case; but if there were Government ownership, he would be appealing directly to the maker of the conditions or rate against which he is protesting, and the difficulty of his obtaining satisfaction would be greatly increased. Under present conditions it is perhaps within reason to state there is sufficient prejudice against corporations so that an aggrieved shipper, other things being equal, is given all the satisfaction which his case warrants; but if he were appealing to a Government department, certainly nothing but the merits of his case would have any influence, and in many instances he would find that relief which he can obtain now would be denied him if the situation were changed.

Furthermore, he may find a condition where the department fails to take immediate or even early action. There are quantities of instances in our governmental service now in which obtaining a decision from a department is a long-delayed and difficult process. A decision which will be made by a responsible person in private employment in the course of a week or two weeks' time has been frequently held up for as many months and sometimes for a much longer period. There is not a Senator of experience on this floor who has not been appealed to, and frequently appealed to, by constituents to aid them in getting one of the departments not only to act but to act promptly.

Could there be any better illustration of this condition than that found in Alaska, where there has been absolute stagnation of enterprise and upbuilding because of the hard and fixed rules which the Government has imposed? Men have gone there in good faith to develop mines and other industries, have invested their money, only to find their whole enterprise held up, if not destroyed by the policies of the Government, and frequently they have been unable to get a decision even on the merits of their cases until they have lost patience and much money in besieging the department directly interested for a final decision.

Suppose, for example, that a railroad had been badly located and on account of the rates imposed became insolvent or a burden on the community by the imposition of abnormally high rates. In order to keep it in operation under the system which has prevailed heretofore we have been able in such cases to reorganize the property—a drastic step, which has been exceedingly burdensome on the individual stockholder or bondholder, but which has been necessary for the public interest. There are innumerable such cases in our history. What would be the action in such an instance if the Government were the owner instead of the individual? Would all the people who owned the property be willing to have their interests scaled to a basis which would make the property self-supporting and of benefit to those living contiguous or tributary to it, who thereby would be able to get a lower rate and a more efficient service? The possibility of bringing about any such action seems to me would be a deterrent to governmental ownership.

Furthermore, in private management an attempt is made to obtain a fair and correct result, while if transportation facilities were turned over to the Government there would necessarily be a large number of laws passed to restrict and control the methods of operation, financing, and other matters connected with these properties. It is well known that many laws result from compromises, and that even as finally passed they are not satisfactory to any of the elements interested, and are not even right from the standpoint of anyone; yet they are the best results that can be obtained. Even that condition would be an element to be

given consideration if such a step as the contemplated one is undertaken.

Any such step means a necessary increase in the machinery of government, the creation of new bureaus, and adding to the number of Government employees. There is pretty nearly a revolt in this country at this time against bureaucracy and the methods which always accompany it. It will necessarily increase our national debt; and if the policy is to extend to the railroads of the country, it will create a national debt aggregating billions, which would remove all possibility of obtaining Government credit on the low basis which now obtains and would mean substantially an equal interest charge to that now required. Furthermore, it would greatly embarrass the Government in financing itself in case of war. Then, again, there would be the possibility of quadrennial change in the higher officers connected with the operation of railroads similar to that found in all of our Government operations to-day, a condition which would mean in the end inefficiency and maladministration.

The fault found under present conditions with Government supervision is that its machinery is cumbersome and that the results obtained from it are much slower than those through private channels. If this is true in the case of supervision and regulation, how much more certain would it be to follow in the case of ownership?

The country which has made the greatest success of State railroads, taking everything into consideration, is Prussia. I do not mean Germany as a whole, because many of the smaller States have not been equally successful as Prussia. In Prussia the operation of State railroads commenced about 1850, and has been increased by purchase and construction until now there are about 22,000 miles of State-owned roads, while the private-owned roads are less than 2,000 miles, and these are generally short lines.

The military system which dominates every activity in Germany has had much to do with the successful development of the Prussian State railroads, and, while many changes have taken place in the manner of organization and conduct of these roads, they have now reached a basis which makes them probably as successful as it is possible for roads to be under such ownership and management. Their administration is primarily under the control of the Imperial Government, but directly under the control of the Prussian minister of public works, the royal railway directorates, assisted by advisory councils—a system which has been in operation since 1895. There are 21 royal directorates located at prominent points in Prussia. Each directorate is a board of directors, having under its control the railway mileage in the district regulated by it. The fixing of rates, both passenger and freight, and administration questions of a general character are in the hands of the directorates. Subordinate to each board of directors there is a traffic manager, an operating manager, a manager in charge of technical matters, and a manager in charge of machine shops.

There are, in addition to these organizations, a large number of men connected with the advisory councils and other administrative bodies. There are also general matters in charge of particular directorates. For example, one of these will have charge of all car distribution in Prussia, another rolling stock, another the purchase of materials, another the workshop supplies, another all technical questions connected with railroading, like block signals, and so forth. Of the advisory councils there are nine. These councils are made up of representatives of the chambers of commerce, boards of trade, and other industrial organizations, supposedly having intimate knowledge of the particular trade with which they are connected.

There is a national council as well as the circuit councils. It has nine circuit councils. The national council consists of 40 members. In addition to the bodies to which I have referred, there is a general conference of German railroads, composed of members representing all the railways in the German Empire. There are more than 300 members in this council. It is a voluntary advisory body, and has to do with the railroads of the German Empire what the national council has in Prussia. In a word, the Prussian system is under the direct management of advisory councils, directorates, and the minister of public works.

On April 1, 1905, there were 400,000 workmen and officials employed on the Prussian State railways. When we stop to consider that there were at that time less than 22,000 miles of road in operation, we find that that would mean about 18 men to a mile, which would mean, if there were the same number of employees on American railways, substantially 4,500,000 men, instead of the 1,700,000 now employed. The capitalization of the Prussian system was, in 1905, \$2,225,000,000, or about \$106,000



per mile. The net profits in the previous year were 7.12 per cent and in 1905 7.17 per cent on the capitalization. The earnings are distributed as follows: First, pay the interest on the railway debt; second, a small sum may be used to meet any deficit in the ordinary State budget; third, three-fourths of 1 per cent of the total railway debt for a sinking fund; fourth, any balance may be invested in new lines or paid to the Government for general expenses. From 1881 to 1899, \$350,000,000 was turned over to the Government, and for the year 1905 this amounted to \$158,000,000.

I have here a table showing the plan of operation of the Prussian railway system, which I think is of sufficient interest to ask that it be included in my remarks without reading.

The VICE PRESIDENT. It will be so ordered, without objection.

The table referred to is as follows:

OUTLINE OF PRUSSIAN RAILWAY ADMINISTRATION.

1. Minister of public works, an under-secretary, and staff.	2. Construction in the hands of special construction departments appointed by the minister and usually under the control of the directory.	3. Certain directories have entire charge of special work for the whole system—car distribution, purchase of rails and ties, accounting, purchase of rolling stock, appointing minor officials, etc.	(a) Traffic. (b) Operating. (c) Technical. (d) Machine shop.
2. National advisory council.	9 circuit councils, composed of representatives of commercial bodies, which make recommendations to directories.	1. General conference of German railways considers interstate matters with the help of its— 2. Society of German railway managements considers international traffic questions, under Berne treaty. [Has general supervision over foregoing bodies as far as they affect the German Empire as a whole.]	A standing committee of the council prepares matter for its consideration. (a) Tariff commission. (b) Committee of shippers.
3. Imperial and international advisory bodies.			
4. Imperial railway office at Berlin.			

Mr. WEEKS. There are fundamental differences between the conditions which prevail in Prussia and in the United States. For example, the average length of haul in Prussia is 71 miles, in the United States 244 miles. The average shipment in the United States is larger than in Prussia. Wages, building material, and all other material used in operating the roads command substantially different prices in the two countries. While the passenger traffic is much denser in Prussia and averages a lower grade, it consists of three classes, and it is therefore difficult to make comparisons. The first-class fare is about twice as high as in the United States, the second class somewhat higher, while the third is materially lower; but before any comparison can be made which is in any sense reasonable we must take into account the difference in the political conditions which prevail in the two countries.

I ought to say of the average passenger rate in Prussia, taking everything into consideration and making the comparisons as nearly equitable as possible—that is to say, including the price paid for a ticket for going into a Prussian railroad station to see a friend or a member of the family off, taking into consideration the charge for carrying baggage on passenger trains, and many other differences which exist in the method of management—the average Prussian railroad passenger rate is about nine-tenths what it is in the United States. On the other hand, the freight rate is almost twice as high as it is in the United States. My investigations, which are somewhat complete along that line, which I intend to submit as an argument against the operation of transportation companies by governments, indicate that this is invariably the result of such operation. It does not make any difference whether it is in republican France or in autocratic Russia, the results are always the same. When the Government operates a system it always means an increased number of employees. It always means increased wages to employees. It always means in European countries a greatly increased sick list, where the rate of pay is maintained when the person is on the sick roll, and it invariably means a reduction in the passenger-traffic rate—not in the freight-traffic rate, because there are comparatively few people involved in that, but everyone is involved in the passenger-rate charge. In every case I have investigated there has been a resulting decrease in the passenger rate whenever the Government has undertaken the operation of the system.

The net result is that with the exception of the Prussian system to which I am referring, and possibly one or two railroad systems in Japan, I can not find a single instance of large operations by governments which are profitable under the conditions which are imposed. In most cases they impose a heavy tax on the people. As an example of that I will instance France, where there are seven main railway lines. Five of

them are privately owned and two of them are owned by the Government and operated by the Government. In the case of the Government operation, at one time there were more than 40 per cent of the employees on the sick list receiving full pay. In the case of the Western Railroad, taken over by the Government, the operating expenses were about 65 per cent while under private operation; the operating expenses jumped to 88 per cent of the gross revenue in three years after the Government took control. Last year the Republic of France had to appropriate \$16,000,000 to make up for the deficit on account of the operation of those two railroad systems, while every privately owned railroad system in France was reasonably successful and profitable.

Mr. HITCHCOCK. The Senator seems to have made a careful study of the Prussian system, but he is—

Mr. WEEKS. I have not finished. I am going on to discuss it.

Mr. HITCHCOCK. Yes; but I wanted to ask him this question: Is he not, however, at fault in drawing the conclusion that the freight rates are higher because it is a Government-owned institution? Is it not a fact that the freight haul is much shorter in Prussia than in the United States—less than one-half the length—and that the terminal charges in each case must inevitably be just as great? Is it not also a fact that the earnings of the Prussian roads constitute a part of the revenue of the Government and that the net earnings are therefore permitted to be larger than the net earnings of railroads in the United States? Is not that an answer to the statement that freight rates are higher?

Mr. WEEKS. Mr. President, the Senator's question has merit in it. There are features of that kind which must be taken into consideration before any fair comparison can be made.

The territory surrounding the section of the country in Pennsylvania, New Jersey, and Delaware is not different in most of its characteristics from Prussia in density of population and in other qualities. If a comparison were made of the railroads in Pennsylvania, New Jersey, and Delaware with the Prussian system it would be found that the Prussian rates were something like 50 per cent higher. What I wanted to point out particularly was that where the interests of a large number of people were involved there was invariably pressure so that the rates were reduced, and in the question of labor conditions the number of employees and wages paid were materially increased. So the Government operation, especially in a country like ours, would mean all the political pressure with which the Senator from Nebraska is familiar, and which, in my judgment, when a great body of employees became involved, could not be resisted.

The great advance which Prussia has made over other countries where there are State railroads is in arriving at a method of flexibility in making freight rates. The Prussian system is not materially simpler than our own; in fact, it does not seem to me to be as simple in many respects. There is a great variety of schedules, many of them special schedules; in fact, two-thirds of the freight rates in Prussia are based on special conditions which have to do with the industrial development of the Empire. These are arranged with the purpose of regulating industry and commerce through the agency of freight rates, and in many cases these rates are much lower than those prevailing in other countries, because they are intended as an encouragement to specified industry, such as protecting German railroads against foreign competition, to modify the severity of unusual emergencies or calamities, build up German shipping and seaports, as far as possible encourage and promote German foreign trade, and to discourage the importations of articles which are produced in Germany. Instead of giving a direct subsidy to many of their steamship lines, the railroads of Germany are used as an encourager of traffic, furnishing a rate to interior points so much lower than that given to ocean lines of other countries, that the method followed amounts to a very large subsidy compared with which probably no other country has ever contemplated.

Not only is this preferential rate given in the case of general locations to build up an industry like shipbuilding, but it is used in transporting raw materials to points where they are most needed, both to aid agriculture and manufacturing, and they are extended in an attempt to promote particular districts—to carry coal, for instance, from the point of production to certain definite ports. To carry a product from a point where it might be under normal rates sent to market by way of foreign railroads and through foreign ports, a rate so low that this can not be done is furnished in order to transport it over German railroads and through a German port. This method of counteracting ordinary conditions is used in the case of a crop failure or any other similar calamity.



The building up of the German merchant marine and German harbors has been one of the marvels of the last quarter of a century. All German States have granted preferential rates to German ports, such as Hamburg and Bremen, at the expense of ports in all other parts of Europe. Preferential rates from the interior sections of Germany on many products, both imported and exported, are very common, and an attempt has been made especially in this way to build up the German northeast harbors and to take business away from the harbors of other countries, not only on the North Sea but on the Black and Adriatic Seas. A similar course has been followed in developing the German foreign possessions, very much lower rates being given on products from the interior of Germany to German possessions, however distant, than those charged by any competing transportation line. The rates charged for transporting to the interior of Germany foreign agricultural products are very materially higher than those charged for transporting agriculture products within the German Empire or to any other German Province, the whole scheme of conducting the German State railroads being to develop the industrial and agricultural activities of that Empire, to create and make profitable ocean steamship lines, and to build up the harbors of Germany.

There are four classes of passenger service for ordinary passenger trains and three for express trains, the fares ranging from three-fourths of a cent a mile to 3 cents a mile, with special rates on return tickets, and an especially low rate for workmen's tickets. Various groups and classes of people are given special rates, like Sunday travelers, visitors to educational institutions and bathing establishments, invalids who have been in war, German soldiers, the sick and blind, deaf and dumb, and those connected with orphan asylums, special provision being made for all such classes.

While it is difficult, and indeed practically impossible, to make a comparison between Prussian freight rates and those of other countries, in a comparison made in 1902 it was found that the charge per ton-mile in Prussia was 1.24 cents; in France, 1.33 cents; in Austria, 1.26 cents; in Hungary, 1.24 cents; and for the same year the charge per ton-mile in the United States was 0.76 cent. Yet even this is not a fair comparison, on account of the longer distances freight is hauled in the United States and its more bulky character; but it can not be denied that the average American freight rate is materially lower than the German rate. On the other hand, the American passenger rate is materially higher than the Prussian rate. In the United States it is almost exactly 2 cents a mile, while in Prussia it is about ninety-three hundredths of 1 cent a mile. But, as I have stated, taking all of the elements into consideration, it is about nine-tenths as high in Prussia as it is in the United States. This is undoubtedly due, however, to the fact that about fifteen-sixteenths of the Prussian travel is in the lower classes and is influenced by the great number of special fares that are given in Prussia and to the fact that much of the suburban travel in Prussian cities is carried on steam roads, while in the United States this travel very largely uses trolleys.

Financially the Prussian railways have been successful. In 1905 the passenger service yielded a gross income of 1,618,000,000 marks. The operating expenses were 983,000,000 marks, leaving a surplus of 634,000,000 marks, or about \$150,000,000. After charging off interest, special funds, and other items in accordance with the arrangements made, there was a net profit to the State that year of \$120,000,000. The railways of Prussia are still inferior to those of the United States in steel cars, terminal facilities, and many other technical improvements, but compared with other European railroads they are showing a distinct improvement from year to year.

The recommendation of the Postmaster General for the Government to purchase telegraph and telephone lines naturally leads us to turn to some other country where such a policy has been in operation for a considerable time to see what the results have been and if the conditions correspond relatively to conditions in this country. Telegraph and telephone systems would more nearly compare with those of other countries of equal density of population than would the railroads or other public-service corporations.

In the case of telephones it is impossible to make a comparison at this time, because the National Telephone Co.'s plant of Great Britain has so recently been taken over by the Government, at a cost of sixty-two and a half million dollars that the results of its operation, compared with its operation under a private company in this country, can not be made; but it is significant that already the Government has undertaken the expenditure of \$2,000,000 to be spent in providing additional facilities, including material additions to underground and overhead wires; in other words, extending the service. That is one

of the faults which may be charged to a governmental system in every case; and the disposition to extend the service to localities where it is not profitable is much more pronounced in the case of government than in the case of private service. If it were possible to earn reasonable returns on an extension of one-sixth of the service, it would seem reasonable to assume that the corporation which owned this company would have made the extension long ago. The probabilities are that the extensions will not be profitable and the service will have to be carried by earnings from some other source.

In the case of the telegraph systems, however, comparisons may be made. In the year 1912-13 the receipts from the telegraph system of Great Britain amounted to £3,113,894, to which should be added £53,516, the estimated value of the service to other departments of the Government. On the other side of the ledger, the salaries, wages, and so forth, paid amounted to £2,781,000, the percentage of salaries to total revenue being 87.82 per cent. This percentage of salaries to total revenue compares with 82.43 per cent five years ago, with 67.75 in 1900, with 61.30 in 1890, with 44.02 in 1880, and 39.13 in 1870. In the meantime superannuations and noneffective charges have increased from £19,000 in 1880 to £184,000 last year. Maintenance charges have, on the other hand, not increased materially, being £292,000 in 1880, £440,000 in 1890, £691,000 in 1900, and only £392,000 last year, the percentage of maintenance to total revenue being at the lowest point last year—12.38 per cent—since 1880, when it was 17.88 per cent. The total expenditures for all purposes last year were £4,124,000, showing a deficit of £957,586, without allowing any interest on the cost of the establishment. I want particularly to call attention to the figures. There was a loss of \$5,000,000 in the operation of the system, because the operating expenses had increased from 39 per cent in 1870 to 87 per cent last year. Incidentally it may be remarked that there has been a deficit during the last five years of an average over a million pounds a year, and that the system has not shown a surplus in its operation since 1880 without, as I have said, figuring any interest on the original cost of the system.

Is there not almost a certainty that the proportional part of the labor cost of maintaining any public operation in a country like ours is sure to increase quite as rapidly as in the case of Great Britain, and does it not mean that we would be doing what is being done in Great Britain—that is, paying a large subsidy to those who send telegraph messages?—for the service shows a large deficit, as I have stated.

Mr. President, I now want to consider for a moment a few comparisons in this country between municipal and corporation organization ownership and management. I can not undertake very many of these to-day, but I will give a few instances.

Mr. SHERMAN. Mr. President—

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Illinois?

Mr. WEEKS. I yield for a question.

Mr. SHERMAN. In the account of the public ownership of the utility last mentioned is there anything written off for the depreciation of physical property or set aside for improvements, so as to keep the property in sound operating condition?

Mr. WEEKS. I have just stated that the maintenance charge, which would include what was intended for depreciation charges, was the lowest last year that it has been since 1880. It has been constantly decreasing, while the operating charge has been constantly increasing. In not a single year since 1880 has there been any net revenue from the system, without figuring any interest whatever on the cost of the investment. That is the result of the operation of the Government-owned English telegraph.

Mr. SHERMAN. Mr. President, may I inquire further, is there a privately owned system of like proportions successfully managed on the basis given in this public undertaking? Does the Senator from Massachusetts know of any such?

Mr. WEEKS. I think that the telegraph system and the telephone system of the United States would both be comparable. In both instances they are operated at rates which compare favorably with the foreign rates and have always earned some reasonable return on the capital invested. That matter I intend to go into in some detail later on to show the advantage of private ownership over public ownership. Incidentally, I think everybody admits that in this country the railroad service, the telegraph service, and the telephone service are better than is the service in European countries. I do not recall a single person who is familiar with the general service conducted under Government operation in Europe who does not come to that conclusion; I think it is universal.

We have in the city of Boston a privately owned ferry system, and parallel to it and running from practically the same wharf a municipally owned system. The municipally owned system is



shorter than that of the private company, being about half the length, but the two systems are parallel in their operations and serve the same classes of people. Their conduct would naturally be along the same general lines. The private company has been in operation since colonial days and has never failed to earn a dividend until the year 1910. The reason it has not earned a dividend since is because the city of Boston has constructed a tunnel, which has affected alike the privately owned and the municipally owned ferry; but up to 1910, for practically 150 years, it had always earned dividends on the capital invested.

The municipally owned ferry was purchased in 1870, and since then has been conducted by the municipality. It has never earned any return on the money. During the 44 years it has been so operated by the city it has cost almost twice as much as has been received from transportation revenues, including in that the cost of the original enterprise and a reasonable rate of interest on the money. It has never paid operating expenses.

The reasons are largely because of the methods of operation. For example, a crew on the municipal ferryboat consists of nine men, while a crew on the privately operated ferry consists of five men, the ferryboats being almost exactly of the same size. The executive officers in the municipal department outnumber private-company officers five to one. Expenses for employees, for overhead charges, and for every other purpose connected with the municipal ferry have been from 50 per cent greater to five times greater, as in the case of the administrative officers, and the tolls, in proportion to the distance run, have been greater on the municipal ferry than they have been on the privately owned ferry; and yet the statement which I have made relating to the comparative earnings is greatly in favor of the privately owned company.

The same general conditions apply as to the ferries in New York. There are two municipally operated ferries in New York City, one from the Battery to Staten Island and the other from Thirty-ninth Street to South Brooklyn. According to the statement made by the department of ferries of New York City last year the operating expenses of the municipal ferries were \$1,360,266, while the receipts were \$1,096,415; and for a long term of years the results have been substantially what they were last year.

In every case, as far as I can tell from the reports which I have in hand—and I shall ask at some time to put in the Record the tables involved—there has been a deficit in operation. In New York there are a considerable number of privately operated or corporation-operated ferries, some of them connected with the railroads, or in one or two instances operated independently of the railroads. Until the tubes were constructed in New York I understand all privately operated ferries were successful. Since the tubes have been constructed ferries operated in competition with them have not been successful, because they have lost very largely in passenger traffic; but they have carried the vehicle traffic as before, and it has been necessary to continue their operations substantially as was done before. I have here, however, two or three instances showing the comparisons which should be used in arriving at the economies resulting from Government operation. They show, almost exactly as they do in the case of Boston, a very much larger number of men employed on a ferryboat, a very much larger overhead charge, and somewhat lower rates in the case of the New York privately owned ferryboats than in the case of the municipally owned ferryboats; but in every instance that I have, while the municipal ferries have been operated unprofitably, the privately owned ferries parallel to them or operating in the same general field have resulted in financial success.

Mr. MARTINE of New Jersey. Mr. President, may I ask the Senator what the rates of fare, respectively, are in the two cases, the municipally owned and the privately owned ferries?

Mr. WEEKS. It would be impossible to make an exact comparison in the case of the Staten Island ferry, because it is much longer.

Mr. MARTINE of New Jersey. Yes; it is a longer ferry.

Mr. WEEKS. In proportion to the mileage, the fares on the privately owned ferries are lower than they are on the municipally owned ferries, but—

Mr. MARTINE of New Jersey. There is a difference in length, of course.

Mr. WEEKS. There is a difference in length, but the comparison is better in the case of the Thirty-ninth Street and South Brooklyn Ferry, which is a municipally owned ferry. In that location, where 9 men are employed on a privately owned ferryboat, 12 men are employed on a municipally owned ferryboat. I do not undertake to say that in one case the number is too great or that in the other too few men are employed, but I do undertake to say that I can not find a single instance where, in comparison, the number of men em-

ployed is not greater on the municipally owned ferry than on the privately owned ferry.

Mr. STERLING. Mr. President—

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from South Dakota?

Mr. WEEKS. I yield for a question.

Mr. STERLING. The Senator has stated the greater number of men employed in the case of the municipally owned ferry as being a reason for additional cost of operation. I should like to ask the Senator if he has any showing with reference to the wages paid in either case and as to whether that has made a difference in the operating expenses?

Mr. WEEKS. I have not an exact comparison in either one of these cases, but, substantially speaking, the wages paid are somewhat higher on the municipally owned ferries than they are on the privately owned ferries. On the French railroads, for instance, in the case of the Government-owned roads, the wages are higher than they are on the privately owned and operated roads, and the number of employees is very much greater.

One of the most striking cases of change in that respect comes in the case of the Western Railroad, which was taken over in 1907. In three years' time the operating expenses jumped from 62 per cent to 88 per cent of the gross earnings, and almost entirely on account of the employment of more men. For instance, there were 97,000 men employed on the Western Railroad the year it was taken over. Three years after there were 138,000 men employed, and of those 138,000 men more than 40 per cent were on the sick list and receiving full pay. As I have stated before, the French Government, operating two of the seven systems in France, last year had to make up by general taxation a deficit in operation of \$16,000,000.

Mr. STERLING. I will ask the Senator, then, if it follows that the public generally were benefited by the higher wages paid or the greater number of men employed under Government operation?

Mr. WEEKS. I think the universal testimony is that the operation is not beneficial to the public; that the public does not get better service as a result of this. It is beneficial to the men directly employed. I think there is no doubt about that.

Mr. ROOT. Mr. President, is the Senator sure about that? I ask the Senator whether he does not leave out of consideration the demoralizing effect upon the men themselves of securing their positions through political influence and pressure, instead of securing their opportunities to make their living as the great body of their countrymen do? Is it of benefit to the men who get their places and hold their places in that way?

Mr. WEEKS. Mr. President, I did not intend to take into consideration the moral results, the depletion of the moral fiber of the population as the result of such a system. I understood that the question of the Senator from South Dakota meant: "Does anybody receive any direct and immediate benefit in a pecuniary way?" I say that the employees, without any question, do receive some benefit, and that invariably a great many more people are employed.

During the delivery of Mr. WEEKS's speech.

Mr. OVERMAN. Will the Senator from Massachusetts yield to me to submit a conference report, not to take him off the floor?

Mr. WEEKS. I will yield to the Senator to submit the report, provided I am not taken off the floor.

Mr. OVERMAN. It is very important that the conference report should be agreed to. There is no objection to it, I think.

The VICE PRESIDENT. The Chair will take it by unanimous consent that the Senator from Massachusetts is not taken off the floor.

Mr. BRISTOW. May I inquire what is the conference report?

Mr. OVERMAN. It is on the urgent deficiency appropriation bill. I will state to the Senator the reason why I want to have it disposed of is because the farmers are complaining that they are not getting their money for the killing of their cattle infected with the foot-and-mouth disease. That is the principal item. Of course there are several other items, but they do not amount to much.

#### URGENT DEFICIENCY APPROPRIATIONS.

Mr. OVERMAN submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 20241) making appropriations to supply urgent deficiencies in appropriations for the fiscal year 1915 and prior years, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 3.



That the House recede from its disagreement to the amendments of the Senate numbered 1 and 5, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$100,000"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the amended paragraph insert the following:

"For the emergency caused by the infectious nature and continued spread of the destructive disease of citrus trees known as citrus canker, by conducting such investigations of the nature and means of communication of the disease, and by applying such methods of eradication or control of the disease as in the judgment of the Secretary of Agriculture may be necessary, \$35,000; and the Secretary of Agriculture is authorized to pay such expense and employ such persons and means, and to co-operate with such authorities of the States concerned, organizations of growers, or individuals as he may deem necessary to accomplish such purpose."

And the Senate agree to the same.

LEE S. OVERMAN,  
N. P. BRYAN,  
REED SMOOT,

*Managers on the part of the Senate.*

JOHN J. FITZGERALD,  
C. L. BARTLETT,  
F. H. GILLET,

*Managers on the part of the House.*

The report was agreed to.

Mr. OVERMAN. I am much obliged to the Senator from Massachusetts.

#### MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the bill (S. 2337) to create the coast guard by combining therein the existing Life-Saving Service and Revenue-Cutter Service, with amendments, in which it requested the concurrence of the Senate.

The message also requested the Senate to furnish the House with a duplicate engrossed copy of the bill (S. 2334) for the relief of S. W. Langhorne and the legal representatives of H. S. Howell, the bill having been lost or destroyed since its reference to the Committee on Claims of the House.

#### ENROLLED BILLS SIGNED.

The message further announced that the Speaker of the House had signed the following enrolled bills:

S. 4012. An act to increase the limit of cost of the United States public building at Grand Junction, Colo.; and

S. 6309. An act to establish the Rocky Mountain National Park, in the State of Colorado, and for other purposes.

#### PETITIONS AND MEMORIALS.

Mr. KERN presented a petition of Typographical Union No. 266, of Elkhart, Ind., praying for the enactment of legislation to regulate the interstate commerce of convict-made goods, which was ordered to lie on the table.

He also presented a petition of the congregation of the Trinity Methodist Episcopal Church, of Elkhart, Ind., and a petition of the congregation of the Trinity Lutheran Church, of Elkhart, Ind., praying for the Federal censorship of moving-picture films, which were referred to the Committee on Education and Labor.

He also presented a petition of sundry citizens of Columbus, Ind., praying for the repeal of the present migratory bird law, which was referred to the Committee on Forest Reservations and the Protection of Game.

He also presented a petition of Local Union No. 1243, United Mine Workers of America, of Boonville, Ind., praying for a further extension of the work of Bureau of Mines, which was referred to the Committee on Mines and Mining.

Mr. NELSON presented petitions of sundry citizens of Minnesota, praying for the enactment of legislation to prohibit the exportation of ammunition, which were referred to the Committee on Foreign Relations.

He also presented a petition of sundry citizens of Minnesota, praying that anti-Catholic publications be excluded from the mail, which was referred to the Committee on Post Offices and Post Roads.

He also presented a memorial of the faculty of Macalester College, St. Paul, Minn., remonstrating against any increase of armament by the United States, which was referred to the Committee on Military Affairs.

Mr. ROOT presented petitions of sundry citizens of Rochester, Wainscott, Brooklyn, Saratoga Springs, Troy, Buffalo, Albany, Cohocton, Syracuse, Kingston, and Schenectady, all in the State of New York, praying for the enactment of legislation to prohibit the exportation of ammunition, which were referred to the Committee on Foreign Relations.

Mr. POINDEXTER presented petitions of Rev. H. F. Lange and sundry other citizens of Walla Walla; of A. Mierow and sundry other citizens of Tacoma; and of John O'Neil and sundry other citizens of Spokane, all in the State of Washington, praying for the enactment of legislation to prohibit the exportation of ammunition, etc., which were referred to the Committee on Foreign Relations.

He also presented petitions of the Harford Woman's Christian Temperance Union of Tacoma and of various organizations representing 500 people of Tweedie, all in the State of Washington, praying for national prohibition, which were referred to the Committee on the Judiciary.

#### BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WILLIAMS:

A bill (S. 7351) granting an increase of pension to David Parker (with accompanying papers); to the Committee on Pensions.

By Mr. OLIVER:

A bill (S. 7352) granting an increase of pension to Frederick Ickley (with accompanying papers); to the Committee on Pensions.

By Mr. STONE:

A bill (S. 7353) granting an increase of pension to Thomas Brewer; to the Committee on Pensions.

By Mr. BURLEIGH:

A bill (S. 7354) granting an increase of pension to Roscoe B. Smith; to the Committee on Pensions.

By Mr. O'GORMAN:

A bill (S. 7355) granting an increase of pension to Louisa Smith Fletcher (with accompanying papers);

A bill (S. 7356) granting an increase of pension to Samuel H. Bingham;

A bill (S. 7357) granting an increase of pension to Peter S. McIntosh; and

A bill (S. 7358) granting an increase of pension to James H. Gallup; to the Committee on Pensions.

#### RIVER AND HARBOR APPROPRIATIONS.

Mr. SHEPPARD submitted five amendments intended to be proposed by him to the river and harbor appropriation bill (H. R. 20189), which were referred to the Committee on Commerce and ordered to be printed.

#### THE MERCHANT MARINE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 6856) to authorize the United States, acting through a shipping board, to subscribe to the capital stock of a corporation to be organized under the laws of the United States or of a State thereof or of the District of Columbia to purchase, construct, equip, maintain, and operate merchant vessels in the foreign trade of the United States, and for other purposes.

After the conclusion of Mr. WEEKS's speech,

Mr. SMOOT. Mr. President—

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Utah?

Mr. WEEKS. I do.

Mr. SMOOT. I move that the Senate adjourn.

Mr. CHAMBERLAIN. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hitchcock	Owen	Stone
Brady	Hollis	Page	Sutherland
Bristow	Hughes	Pittman	Swanson
Bryan	James	Pomerene	Thomas
Burton	Johnson	Ransdell	Thornton
Catron	Jones	Reed	Tillman
Chamberlain	Kenyon	Robinson	Townsend
Clapp	Kern	Root	Walsh
Colt	Lee, Md.	Sheppard	Warren
Cummins	Lodge	Shively	Weeks
Fletcher	Martine, N. J.	Simmons	White
Gallinger	Nelson	Smith, Md.	Williams
Gore	Norris	Smoot	Works
Gronna	Oliver	Sterling	

Mr. THORNTON. I was requested to announce the unavoidable absence of the junior Senator from New York [Mr. O'GORMAN]. I ask that this announcement may stand for the remainder of the day.



Mr. KERN. I desire to announce the unavoidable absence of the senior Senator from West Virginia [Mr. CHILTON].

The VICE PRESIDENT. Fifty-five Senators have answered to the roll call. There is a quorum present.

Mr. LODGE. Mr. President—

The VICE PRESIDENT. The Senator from Utah has moved that the Senate do now adjourn.

Mr. SMOOT. Upon that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. DU PONT (when his name was called). Has the senior Senator from Texas [Mr. CULBERSON] voted?

The VICE PRESIDENT. He has not.

Mr. DU PONT. I will withhold my vote, as I am paired with that Senator.

Mr. GALLINGER (when his name was called). I have a general pair with the junior Senator from New York [Mr. O'GORMAN], who seems to be absent, and I withhold my vote.

Mr. HOLLIS (when his name was called). I announce my pair with the junior Senator from Maine [Mr. BURLEIGH].

Mr. MYERS (when his name was called). Has the Senator from Connecticut [Mr. McLEAN] voted?

The VICE PRESIDENT. He has not.

Mr. MYERS. I have a pair with that Senator, and in his absence I withhold my vote.

Mr. WALSH (when his name was called). I have a general pair with the Senator from Rhode Island [Mr. LIPPITT]. As he is absent from the Senate, I am compelled to refrain from voting.

Mr. WILLIAMS (when his name was called). Transferring my pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the junior Senator from South Carolina [Mr. SMITH], I vote "nay."

The roll call was concluded.

Mr. TILLMAN. I transfer my pair with the Senator from West Virginia [Mr. GOFF] to the Senator from Illinois [Mr. LEWIS] and vote "nay."

Mr. SUTHERLAND. I transfer my pair with the Senator from Arkansas [Mr. CLARKE] to the Senator from Wisconsin [Mr. STEPHENSON] and vote "yea."

Mr. SMITH of Maryland (after having voted in the negative). I notice that the Senator from Vermont [Mr. DILLINGHAM], with whom I am paired, is not here. I transfer my pair with that Senator to the Senator from Alabama [Mr. BANKHEAD] and let my vote stand.

Mr. WALSH. I transfer my pair with the Senator from Rhode Island [Mr. LIPPITT] to the junior Senator from Georgia [Mr. HARDWICK] and vote. I vote "nay."

Mr. HOLLIS. I transfer my pair with the Senator from Maine [Mr. BURLEIGH] to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "nay."

Mr. DU PONT. I transfer my pair with the senior Senator from Texas [Mr. CULBERSON] to the senior Senator from Connecticut [Mr. BRANDEGEE] and vote. I vote "yea."

Mr. LEA of Tennessee (after having voted in the negative). I am just advised that the Senator from South Dakota [Mr. CRAWFORD], with whom I am paired, is absent. I therefore withdraw my vote.

The result was announced—yeas 25, nays 44, as follows:

#### YEAS—25.

Brady	du Pont	Perkins	Townsend
Bristow	Gronna	Root	Warren
Burton	Jones	Sherman	Weeks
Catron	Lodge	Smith, Mich.	Works
Clark, Wyo.	Nelson	Smoot	
Colt	Oliver	Sterling	
Cummins	Page	Sutherland	

#### NAYS—44.

Ashurst	Kern	Ransdell	Smith, Md.
Bryan	La Follette	Reed	Stone
Camden	Lane	Robinson	Swanson
Chamberlain	Lee, Md.	Saulsbury	Thomas
Clapp	Martin, Va.	Shafroth	Thompson
Fletcher	Martine, N. J.	Sheppard	Thornton
Gore	Overman	Shields	Tillman
Hollis	Owen	Shively	Vardaman
Hughes	Pittman	Simmons	Walsh
James	Polindexter	Smith, Ariz.	White
Johnson	Pomerene	Smith, Ga.	Williams

#### NOT VOTING—27.

Bankhead	Culbertson	Kenyon	Newlands
Borah	Dillingham	Lee, Tenn.	Norris
Brandegee	Fall	Lewis	O'Gorman
Burleigh	Gallinger	Lippitt	Penrose
Chilton	Goff	McCumber	Smith, S. C.
Clarke, Ark.	Hardwick	McLean	Stephenson
Crawford	Hitchcock	Myers	

So the Senate refused to adjourn.

#### COAST GUARD.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill S. 2337, entitled "An act to create the coast guard by combining therein the existing Life-Saving Service and Revenue-Cutter Service," which were, on page 2, line 3, strike out "as a part of" and insert "by"; on page 2, line 3, after "Department," insert "Provided, That no provision of this act shall be construed as giving any officer of either the coast guard or the Navy military or other control at any time over any vessel, officer, or man of the other service except by direction of the President"; on page 3, line 2, strike out "one from each service"; on page 3, line 18, after "organizations," insert "The provisions of the act entitled 'An act to regulate enlistments and punishments in the United States Revenue-Cutter Service,' approved May 26, 1906, shall apply to and govern the coast guard"; on page 4, line 5, after "affecting," insert "rank"; on page 4, lines 5 and 6, strike out "allowance" and insert "allowances"; on page 4, line 19, strike out "providing" and insert "in so far as they provide"; on page 4, line 24, strike out "may"; on page 4, line 25, after "application," insert "and as to commissioned officers upon approval by the Secretary of the Treasury, may"; on page 5, line 11, after "service," insert "for any purpose"; on page 6, line 12, after "districts," insert "subject to the authority of the captain commandant"; on page 6, after line 24, insert "Sec. 6. That any person using any vessel in the coast guard service for private purposes in violation of law shall, upon conviction thereof, be fined \$1,000"; and on page 7, line 1, strike out "Sec. 6" and insert "Sec. 7."

Mr. RANSDELL. I move that the Senate concur in the amendments of the House of Representatives.

Mr. SMOOT. I notice from the bill and the amendments made by the House that there are more provisions proposed as amendments than there were in the original Senate bill. I do not believe the Senate ought to pass a measure of this kind without some kind of an examination. I ask the Senator from Louisiana if he will not allow the amendments to be printed and go over until to-morrow morning, so that we may see what they are?

Mr. RANSDELL. Certainly; I have no objection. I think the amendments will be found satisfactory, but I have not the slightest objection to having them go over.

Mr. SMOOT. I ask that the bill be printed with the House amendments numbered.

The VICE PRESIDENT. Without objection, it will be so ordered. The amendments can only be taken up by unanimous consent, anyway.

#### ORDER FOR RECESS.

Mr. KERN. I move that at not later than 6 o'clock this evening the Senate shall take a recess until 11 o'clock to-morrow morning.

The motion was agreed to.

#### THE MERCHANT MARINE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 6856) to authorize the United States, acting through a shipping board, to subscribe to the capital stock of a corporation to be organized under the laws of the United States or of a State thereof or of the District of Columbia, to purchase, construct, equip, maintain, and operate merchant vessels in the foreign trade of the United States, and for other purposes.

Mr. LODGE. Mr. President, I desire to give notice that if I am fortunate enough to secure the recognition of the Chair to-morrow I shall address the Senate on the amendment which I presented to the ship-purchase bill yesterday with regard to the ships to be purchased under the act.

Mr. GALLINGER. I present a proposed amendment to the Post Office appropriation bill, which I ask to have printed and referred to the Committee on Post Offices and Post Roads.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. CHAMBERLAIN. I have a number of reports here—

Mr. SMOOT. I did not hear what was the last request.

The VICE PRESIDENT. It was a proposed amendment to the Post Office appropriation bill which the Senator from New Hampshire asked might be printed and referred to the committee, and the Chair said, without objection, that that action would be taken. Is there any objection?

Mr. SMOOT. I object to any kind of routine business being transacted unless we have a morning hour. I ask the Senator from New Hampshire if he will not withdraw the amendment.

Mr. GALLINGER. I have an impression that under the rule I can pass up the amendment.



The VICE PRESIDENT. The Chair will examine the rule.  
Mr. GALLINGER. However, I will withdraw it for the present.

Mr. ROOT obtained the floor.

Mr. SHIVELY. Let me inquire of the Senator from Utah whether he will object to my putting in a favorable report from the Committee on Pensions?

The VICE PRESIDENT. The Senator from New York has been recognized.

Mr. ROOT. Mr. President, I hope I will be permitted to accomplish the purpose for which I rose. I rose for the purpose of giving notice that on the morning of Saturday the 23d, immediately after the conclusion of the routine morning business, or if the present oppressive and unjustifiable fiction of continuing the legislative day of Friday the 15th of January be continued over until the 23d of January, then as soon after the convening of the session as I can obtain recognition I shall make some observations upon the ship-purchase bill.

Mr. SHIVELY. I ask unanimous consent to present a favorable report from the Committee on Pensions.

Mr. ROOT, Mr. SMOOT, and Mr. LODGE. I object.

The VICE PRESIDENT. There is objection. The pending question is on the amendment offered by the Senator from Massachusetts [Mr. LODGE] to Senate bill 6856.

Mr. TOWNSEND. I move to take up for present consideration Senate bill 392, known as the bill to create in the War Department and Navy Department, respectively, a volunteer officers' retired list.

Mr. WILLIAMS. Regular order!

Mr. TOWNSEND. Upon that motion I call for the yeas and nays.

Mr. OVERMAN. Regular order!

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. DU PONT (when his name was called). In the absence of the senior Senator from Texas [Mr. CULBERSON], with whom I have a general pair, I will withhold my vote. If I were free to vote, I would vote "yea."

Mr. GALLINGER (when his name was called). I will again announce my pair with the junior Senator from New York [Mr. O'GORMAN] and withhold my vote.

Mr. HOLLIS (when his name was called). Transferring my pair with the Senator from Maine [Mr. BURLEIGH], as before, to the Senator from Nebraska [Mr. HITCHCOCK], I vote "nay."

Mr. SMITH of Maryland (when his name was called). I transfer my pair as previously stated and vote "nay."

Mr. SUTHERLAND (when his name was called). Again transferring my pair with the Senator from Arkansas [Mr. CLARKE] to the Senator from Wisconsin [Mr. STEPHENSON], I vote "yea."

Mr. TILLMAN (when his name was called). I have a general pair with the Senator from West Virginia [Mr. GOFF]. He being absent, I withhold my vote.

Mr. WALSH (when his name was called). I transfer my pair with the Senator from Rhode Island [Mr. LIPPITT] to the Senator from Georgia [Mr. HARDWICK] and vote. I vote "nay."

Mr. WILLIAMS (when his name was called). Repeating the announcement made upon the last roll call, I vote "nay."

The roll call was concluded.

Mr. DU PONT. I transfer my general pair with the senior Senator from Texas [Mr. CULBERSON] to the senior Senator from Connecticut [Mr. BRANDEGEE] and vote. I vote "yea."

Mr. LEA of Tennessee (after having voted in the negative). I am paired with the Senator from South Dakota [Mr. CRAWFORD], and therefore withdraw my vote.

Mr. GALLINGER. I transfer my pair with the junior Senator from New York [Mr. O'GORMAN] to the Senator from Washington [Mr. JONES] and vote "yea."

The result was announced—yeas 29, nays 37, as follows:

#### YEAS—29.

Brady	Cummins	Page	Sutherland
Bristow	du Pont	Perkins	Townsend
Burton	Gallinger	Polindexter	Warren
Catron	Gronna	Root	Weeks
Chamberlain	Kenyon	Sherman	Works
Clapp	Martine, N. J.	Smith, Mich.	
Clark, Wyo.	Nelson	Smoot	
Colt	Oliver	Sterling	

#### NAYS—37.

Ashurst	Lee, Md.	Saulsbury	Swanson
Bryan	Lewis	Shafroth	Thompson
Camden	Martin, Va.	Sheppard	Thornton
Fletcher	Overman	Shields	Vardaman
Gore	Owen	Shively	Walsh
Hollis	Pittman	Simmons	White
Hughes	Pomerene	Smith, Ariz.	Williams
James	Ransdell	Smith, Ga.	
Johnson	Reed	Smith, Md.	
Kern	Robinson	Stone	

#### NOT VOTING—30.

Bankhead	Dillingham	Lea, Tenn.	O'Gorman
Borah	Fall	Lippitt	Penrose
Brandegee	Goff	Lodge	Smith, S. C.
Burleigh	Hardwick	McCumber	Stephenson
Chilton	Hitchcock	McLean	Thomas
Clarke, Ark.	Jones	Myers	Tillman
Crawford	La Follette	Newlands	
Culbertson	Lane	Norris	

So Mr. TOWNSEND's motion was rejected.

Mr. TOWNSEND. Mr. President, I made the motion to take up the Volunteer officers' bill for the reason that during all of to-day and all of yesterday the majority Members of the Senate have manifested absolutely no interest in the ship-purchase bill, so that for most of the time there were not to exceed two Democratic Senators in the Chamber, notwithstanding the fact that one of the most important bills that has been before the Senate in years was being discussed by some of the most distinguished and best-informed Senators in this body. Senators who spoke upon the question with the authority of ability and understanding. The majority Members can not in good faith declare that there has been an effort by the minority to filibuster during the discussion up to date, because the Record will disclose that nothing has been said that ought not to have been said in the hearing of Senators who are supposed to be deliberating upon this great new scheme which the President proposes to make the policy of the United States.

To me it seems strange and unwarranted that Democratic Senators should declare that a filibuster is being prosecuted by the minority, when the fact is that the filibuster lies with the majority. Before the debate is fairly open, before the real bill is in the Senate, Democratic Senators enter into an agreement that they will neither discuss the measure nor listen to its discussion. The Chair in obedience to the wish of the majority announces the monstrous doctrine that if a Senator who discovers that less than a half dozen Senators are in the Chamber and demands that a quorum be present, such demand shall terminate the speech of the Senator having the floor. Why, sir, the strength of the Senate is its powers of deliberation. Here in the past arguments for and against measures proposed for legislation have been presented without restriction, and the result has been of highest good to the country. But from now on arguments will be presented not for the purpose of winning a cause, not to produce conviction in the minds of Senators, but to empty seats, and bills must be defeated not by the conquest of reason but by the triumph of physical endurance.

Mr. President, I feel that this is a most serious question that is now before the United States Senate. I would have been pleased to have had the proponents of the measure present their arguments, rather than have them rely upon a speech of a Cabinet officer printed in the Record as their reason for its passage. Certainly there ought to be some reasons for enacting this legislation, and Senators who advocate it should stand up and present them to the Senate and to the country; but, Mr. President, it has been declared that the majority side have votes enough to pass the bill; and if rumor is correct, they do not propose to occupy any time of Congress in explaining it or in giving reasons for its passage.

There is another matter that I am going to present to the Senate now and upon which I am going to ask for a vote.

Mr. BRISTOW. Mr. President—

The PRESIDING OFFICER (Mr. BRYAN in the chair). Does the Senator from Michigan yield to the Senator from Kansas?

Mr. TOWNSEND. I yield for a question.

Mr. BRISTOW. Before the Senator from Michigan proceeds I should like to inquire what, in his opinion, can be the reason why Senators who are apparently in favor of this legislation refuse to give any reasons why it should be enacted into law?

Mr. SMITH of Arizona. We do not need to do so.

Mr. TOWNSEND. No; you act without reason.

Mr. President, I do not care to speculate on the reasons or lack of reasons which actuate Senators, but I think I am safe in saying—what, I believe, everybody knows—that not many of the Senators on the other side of the Chamber believe that this proposition is just or wise or that it will be of advantage to the country.

Mr. FLETCHER. Mr. President—

Mr. TOWNSEND. The only reason, therefore, that I can find for it is that the Executive has ordered that the bill shall be passed.

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Florida?

Mr. TOWNSEND. I yield for a question.

Mr. FLETCHER. I should like to ask the Senator if he has taken, or if he can ascertain whether the Senator from Kansas [Mr. BRISTOW] has taken, the trouble to read the report of the



committee on this bill, Report No. 841, giving reasons why the bill should be enacted?

Mr. TOWNSEND. Mr. President, that report means nothing; the committee itself was not satisfied with it, for after the bill had been reported a substitute was presented to the Senate and was read to the Senate for the first time at the request of a Republican Senator. Oh, the reasons! You do not dare to argue this bill. You have no reasons of your own. Your better judgment condemns the measure. You are supporting it without reason of your own, and silence is evidently less embarrassing than speech.

Mr. SUTHERLAND. Mr. President, will the Senator permit me to ask him a question?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Utah?

Mr. TOWNSEND. I yield.

Mr. SUTHERLAND. I ask the Senator from Michigan whether or not he thinks that one of the reasons for the majority side declining to debate this bill is that the bill upon which we are finally to vote is not yet before the Senate? I also ask the Senator whether or not he has seen in the public press a statement that the bill which is finally to be brought before us is now being formulated in the Democratic caucus?

Mr. GALLINGER. Incubated.

Mr. TOWNSEND. I am so informed; and I think no one will deny it. The bill itself, as the coercive action of the caucus shall finally determine, has not yet been decided upon. The majority do not know exactly what the President wants. They hope to find out later. They have, however, presented a bill; and yet, while it is being discussed by those who know why it should not be passed, Democratic Senators who assume responsibility for legislation refuse to listen.

But, Mr. President, I wish to present another matter to the Senate. I have been receiving letters from the constituents of certain Democratic Senators, stating that I am reported as standing in the way of the so-called war-claims bill. Nobody has asked that that bill be considered. A similar bill was passed in the last Congress by a Republican Senate, although it was largely for the benefit of the South. The House passed a different measure. A conference on the two bills was had, but the Democratic House refused to agree to the Senate bill and its death was the result. I have been receiving letters, as I have said, in which the writers state that their Senators and Representatives have written them that that bill could not be considered because of Republican opposition, and especially because of the objection of the junior Senator from Michigan.

Mr. President, the war-claims bill passed the House in December, 1913. It was placed upon the calendar of the Senate on the 20th day of March, 1914. There has been plenty of opportunity to take up that measure and consider it on its merits, but no effort has been made to pass it. I have not objected to it; I was one of the conferees on the bill in the last Congress and urged its passage. I have not objected to it since. It is a bill which, like the Volunteer officers' bill, to which you have refused consideration, represents the honor of the Government. Both are efforts to compel the Nation to pay its honest debts. Not gratuity, but justice, is demanded. Every claim in the bill which I shall propose has been favorably acted upon by the Court of Claims. They are just claims, just accounts against the Government, and in order that Senators may have an opportunity to vote for this measure, in order that their constituents may know that the junior Senator from Michigan does not stand in the way of its passage, I am going to ask for its consideration now. You can pass it if you wish. We shall see who stands in its way.

Mr. President, I move that the Senate proceed to the consideration of House bill 8846, Calendar No. 298, its title being "An act making appropriation for payment of certain claims in accordance with findings of the Court of Claims, reported under the provisions of the acts approved March 3, 1883, and March 3, 1887, and commonly known as the Bowman and the Tucker Acts, and under the provisions of section No. 151 of the act approved March 3, 1911, commonly known as the Judicial Code."

The PRESIDING OFFICER. The question is on the motion of the Senator from Michigan to proceed to the consideration of the bill, the title of which he has just stated.

Mr. TOWNSEND. On that motion I ask for the yeas and nays.

Mr. WILLIAMS. Mr. President, there is a right to debate that motion, is there not?

The PRESIDING OFFICER. The motion having been made after 2 o'clock, it is subject to debate.

Mr. WILLIAMS. Mr. President, the Senator from Michigan has just displayed, in a manner beyond any other recent illustration of the fact, the Republican contempt for the Democratic

intellect. He expects us to be gudgeons to bite at artificial flies. He thinks he can appeal to this side of the House upon a purely sectional question—or one that he, at any rate, says is for the major part sectional—to lay aside an agreed program of business. Nothing could explain the Senator's conduct except the arrogant supposition on the part of the average Republican, unconsciously oozing out of him, that the average Democrat is a fool.

Mr. GALLINGER. Mr. President, I call attention to the rule. I do not think the Senator has a right to say that we on this side are arrogant.

Mr. WILLIAMS. Well, Mr. President, if I have not, then I have no right to refer to any historical fact at all. [Laughter.]

Mr. GALLINGER. Yes; the Senator has a right to keep in order in his discussion and to observe the rule.

Mr. WILLIAMS. Well, I am observing the rule; I have mentioned no particular Senator's name. I can refer to the Republican Party as being arrogant, of course.

Mr. GALLINGER. Yes.

Mr. WILLIAMS. You people always refer to the Democrats as being fools. I think the game is about equal.

Mr. GALLINGER. The Senator has shifted his ground.

Mr. WILLIAMS. Oh, no; just emphasized it. The Senator from Michigan [Mr. TOWNSEND] in a solemn, if not a funereal, tone of voice and in a most dignified manner has said that "up to this moment the majority can not declare that any filibuster has been going on upon this side." This falls from the Senator's lips after one man on that side has spoken nine hours and was nearly exhausted; after another one has spoken seven hours and was almost as badly off; after three or four Senators on that side were reported in the newspapers, and have never denied it, to have held a conference in which they said they would debate this matter until the 4th of March; after we have learned—whether it be true or not I do not know—that there was a conference held last night in which you on that side said that there should not be a vote upon this matter until the 4th of March.

Mr. GALLINGER. Mr. President—

Mr. WILLIAMS. I yield, and I should like to know whether any such conferences have been held by any Members upon this other side?

Mr. GALLINGER. No conference whatever was held by the Members on this side of the Chamber last evening, nor has any declaration ever been made that the bill would be debated until the 4th of March.

Mr. WILLIAMS. I did not ask whether any declaration had been made publicly. I asked whether any such agreement had been made.

Mr. GALLINGER. It has not been reached at all at any conference.

Mr. WILLIAMS. Then it seems that the newspapers, somehow or other, have gotten things wrong; and it seems that, so far as any conference or any agreement is concerned, there has been none; because if the Senator from New Hampshire says there has been none, that settles it, so far as I am concerned.

Mr. GALLINGER. Mr. President, the Senator from New Hampshire did not say that no conference had been held this afternoon. A hurried conference was held this afternoon and several questions were discussed, and that conference reached the conclusion that this bill—I mean, the unfinished business—would be debated at length.

Mr. WILLIAMS. At length?

Mr. GALLINGER. At length.

Mr. WILLIAMS. But was there any specific definition of what the indefinite term "at length" meant?

Mr. GALLINGER. Mr. President, that we will decide for ourselves when we get to it.

Mr. WILLIAMS. Of course you will, and I can not deprive you of that right. I am merely calling attention to the indefinite and unspecified length of promised debate—to the fact—and I want the country to understand the fact. Now I ask the Senator from New Hampshire what he means by "at length."

Mr. GALLINGER. I mean that the Senators opposed to this bill will discuss it in their own way until they have satisfied themselves that the country understands it.

Mr. WILLIAMS. Ah!

Mr. OLIVER. Mr. President, I rise to a question of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. WILLIAMS. I beg the Senator's pardon; I have not yielded.

Mr. OLIVER. I am making a point of order.

The PRESIDING OFFICER. The Senator from Pennsylvania rises to a point of order, which he will please state.

Mr. OLIVER. My point of order is this: I wish to ask the Chair whether, under the rulings which have of late prevailed



in the Senate, the Senator from Mississippi has not already spoken more than twice upon the question?

Mr. WILLIAMS. He has not spoken at all upon this bill.

Mr. OLIVER. Perhaps it is a voice and nothing more.

Mr. WILLIAMS. If so, it is only one voice and in one speech. Moreover, this is not the ship-purchase bill at all upon which I am now speaking. This is upon a motion made by the Senator from Michigan to take up the omnibus claims bill.

Mr. OLIVER. Mr. President, my parliamentary inquiry is, The Senator from Mississippi having asked the Senator from New Hampshire two or three times to answer certain questions, and having been answered, whether each one of those interruptions did not constitute taking him from the floor. I believe that is the ruling that has prevailed in the Senate for the last two or three days. Under that ruling the Senator from Mississippi is no longer entitled to the floor.

Mr. WILLIAMS. Mr. President—

The PRESIDING OFFICER. The Chair thinks the Senator from Mississippi is entitled to the floor.

Mr. WILLIAMS. I was about to state why. When the Senator from New Hampshire interrupted me I consented that he should do so, and no other Senator objected. The Senator from New Hampshire could not have interrupted me without unanimous consent of the Senate, and the unanimous consent was given by the fact that nobody objected. The next time the Senator from New Hampshire desires to interrupt me, if the Senator from Pennsylvania will object to his doing so, then that will constitute something in line with the precedent.

Having begun this interrogation I should like to proceed with it a little bit further.

Mr. OLIVER. Mr. President, a question of order. The position of the Senator, I submit, is not accurate.

Mr. WILLIAMS. I do not yield to interruption, unless the Senator is making a point of order.

Mr. OLIVER. I am submitting a point of order.

The PRESIDING OFFICER. The Senator from Pennsylvania raises a point of order, which he will please state.

Mr. OLIVER. The position, as I understand it, is not as represented by the Senator from Mississippi. The Senator from Mississippi asked the Senator from New Hampshire repeated questions, to which answers were given by the Senator from New Hampshire. Under the ruling of the Vice President, as I understand it, when a Senator who is on the floor asks another Senator to respond to a question, and that Senator responds, it constitutes the termination of his speech. Under that ruling, I submit that the Senator from Mississippi has already spoken twice upon the subject now before the Senate and is not now entitled to the floor.

Mr. WILLIAMS. Mr. President, the trouble is that the Senator from Pennsylvania has not got his facts right. [Laughter.] That is frequently a trouble with Republicans. The Senator from New Hampshire interrupted me, and in reply to his interrogation I asked him some questions.

Mr. OLIVER. Yes; exactly.

Mr. WILLIAMS. And the Socratic method—the method which Socrates pursued of answering a question by asking a question—evidently is new to the Senator from Pennsylvania.

Mr. CLARK of Wyoming. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK of Wyoming. The point of order is not debatable.

The PRESIDING OFFICER. The present occupant of the chair does not believe anything has taken place during the time the Senator from Mississippi has been speaking that deprives him of the floor. The point of order is overruled.

Mr. WILLIAMS. Mr. President, I shall be very careful not to ask the Senator from New Hampshire further questions, even when he is on his feet and interrogating me, because I do not want to hurt the sensitive feelings of the Senator from Pennsylvania; but without asking the Senator from New Hampshire a question I will say that I have heard, I have read, that there was an agreement upon that side "to make 17 speeches"; and if each one of them were to be nine hours in length like the speech of the Senator from Ohio [Mr. BURTON], or if each one were to be seven hours in length like the speech of the junior Senator from Massachusetts [Mr. WEEKS], they would take quite a long time. I shall not ask the Senator from New Hampshire whether that is true or not, but if the Senator from New Hampshire wishes to interrupt me, either to confess it or deny it, I shall not object. Unless some other Member of the Senate does object, he may ask the question.

Mr. GALLINGER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from New Hampshire?

Mr. WILLIAMS. I do.

Mr. GALLINGER. The Senator from New Hampshire denies most emphatically that there has been any agreement that 17 speeches shall be made on this side of the Chamber on the unfinished business.

Mr. KERN. Eighteen, then. [Laughter.]

Mr. GALLINGER. Or any other number.

Mr. WILLIAMS. The denial may mean that 18 or 19 or 20 speeches are to be made, or it may mean that only 10 or 12 are to be made; but, at any rate, the denial as to 17 has been duly entered, and, of course, like every other statement of fact made to me—at any rate, by the Senator from New Hampshire—I accept it. I now disclaim positively that the definite number of 17 has been agreed upon, and I shall proceed with the discussion of the question.

Mr. President, the next thing said by the Senator from Michigan, in that peculiar revival tone of voice of his, as if men were being called up to the mourners' bench or a few sad words were being said at the bier of a friend who had become a corpse, was that we Democrats "had shown no interest in the subject matter." Great Heavens, Mr. President! We are showing so much interest in the subject matter that we are trying to get a vote on it. Does the Senator imagine because a man does not show an interest in a long-winded, nine-hour speech, absolutely without a new thing in it, or because a man does not show an interest in a long-winded, seven-hour speech, that therefore he is not interested in the subject matter? Does he not know that life is short?

Mr. TOWNSEND. Mr. President—

Mr. WILLIAMS. Wait one moment. If I wanted to make a speech upon George Washington, and wanted to hire a public hall and talk nine hours, would the fact that the Senator from Michigan declined to attend and listen to me while I was talking about George Washington for nine hours show that he had no interest in George Washington? [Laughter.]

Mr. TOWNSEND. Mr. President—

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Michigan?

Mr. WILLIAMS. I do.

Mr. TOWNSEND. The Senator has stated that he has so much interest in it that he is waiting anxiously to vote. Has the Senator been ready to vote on this bill at any time, or is he ready to vote to-night on this bill?

Mr. WILLIAMS. Mr. President, the Senator from Mississippi will test the sincerity of the Senator from Michigan in a few minutes by asking a unanimous-consent agreement; and by testing it he will answer the question just propounded.

The Senator says that a ruling of the Chair has violated an old rule of the Senate—to use his own language, "That a majority shall be present to listen to what a man says"—a rule of the Senate that a majority shall be present to listen to what a man says, regardless of what he says; regardless of whether or not what he says is worth listening to; regardless of the motive behind what he says; regardless of whether he is sincerely discussing the question or merely trying to take up time. Think of that proposition, now, ye that can think! The Senator does not mean that. Nobody means that. No man has a right to have a majority of this or any other body listen to him unless he speaks with sufficient interest and sincerity and information or novelty to justify the presence of a majority. There is no Senator in this body who has not spoken time after time to less than a majority, and that, too, very frequently, when the Senator was speaking sincerely and making an earnest argument and not merely occupying the floor to the detriment of his health and to the detriment of his own intellect. Where has the Vice President been guilty of any sort of tyranny in the ruling?

Why, the only good thing about belonging to the Senate, except the conspicuousness and the celebrity and the salary, is that we are not obliged to listen to one another when we are uttering nonsense or when we are merely consuming time or when we are merely reading something or when somebody is merely interrupting us to rest us and when we sit down and throw our legs over the chair while we rest during the interruption.

The Senator tells me that he would "like to have a better argument on this side than the speech of a Cabinet officer." Without denying the assertion that there has been no argument upon this side except the speech of a Cabinet officer—a denial easily made and established by the RECORD—I will call his attention to the old, time-honored proverb that "Enough is as good as a feast." The speech of the Cabinet officer is absolutely conclusive upon this point, is absolutely unanswerable, has not been answered, can not be answered, and will not be answered.



by anybody upon that side. It is in the RECORD for the people themselves to read.

Mr. President, a very distinguished man in this country said the other day that the Republican Party had not had a new idea in 30 years. [Laughter.] I think he was wrong as to the time—and time is not of the essence of the charge—but certainly the Republican Party has not had a new idea since the year of our Lord 1912. It positively has not had a new idea since the nomination or election of Woodrow Wilson as President. Why, even all this funereal speech, in solemn tones and deep utterance, looking as if calling mourners to the bench, just pronounced by the Senator from Michigan, is not new. All of us have gone through that performance every now and then when we were filibustering. It is an old thing. I have heard Senators upon this side go through with it even in better form and with greater success and with the possibility of making a greater impression of being in dead earnest about it.

Mr. GALLINGER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from New Hampshire?

Mr. WILLIAMS. I yield to the Senator, provided the Senator from Pennsylvania does not object. [Laughter.]

Mr. GALLINGER. I should like to ask my good friend the Senator from Mississippi, who is always so interesting and so courteous, if he does not think the Republican Party had an idea at the election in November last?

Mr. WILLIAMS. Why, no. Mr. President, when we went in in 1912 we went in as a mere plurality minority party, as Abraham Lincoln did.

Mr. GALLINGER. Certainly.

Mr. WILLIAMS. When we carried the House last time we carried it as a majority party. Now, the Republican Party may have had a new idea that did not fruit. The idea was that they were going to carry the House, but they did not. When I say they have not had a new idea since July, 1912, I mean they have not had a new idea that fruited; they have not had a conception that was consummated, so far as I know, or one recognized by anybody else as being real.

Mr. President, when there is a real condition confronting a parliamentary body, and when there is a real condition confronting the people, all the solemnity of voice in the world can not make it nonexistent and create a fictitious condition. The Senator from Michigan might talk here until he was black in the face, he might talk here until it was his own funeral oration that he had just ceased to pronounce, but he can not convince a man in the United States with ordinary common sense, who has taken even a cursory view of the RECORD very lately, that the Senators who have spoken upon that side were not deliberately consuming time; and they themselves, upon their honors, will not deny it, because I know them both. They are not the sort of men who will deny a fact. I have served with both of them in other bodies than this as well as here. I know their honor, I know their integrity, I know their sincerity, and neither one of them will say that a part of the time used by him was not used solely for the purpose of consuming time.

Mr. President, I am reminded by a Democratic Senator of the fact that we have a program, and perhaps I myself am interfering with it to some extent. A few more sentences, then, and I shall conclude.

The responsibility of the government of this country at this time is upon us. You had it resting on you for twenty-odd years. You never showed us any great courtesy—I mean, in a parliamentary sense. Personally, we have all shown one another every courtesy. There never was a time when you wanted to put through a party program that you did not call attention to the fact that we were filibustering when we were, and sometimes we were. Whether men want to be honest with the people or not, that is one thing in a free Republic that they must be—they have got to be honest with them in the long run.

Now, one truth is, and the country ought to know it, that you have made up your minds and virtually agreed, many of you, to defeat this bill, if you have to talk until the 4th of March. Let the country know it. The other truth is that we have made up our minds to carry this bill through, even though we let you talk, and to save time make you do all the talking, until the 4th of March; and meanwhile we are going to try to stop you talking whenever under the rules we can.

Let us be honest with one another, and let us be honest with the country. What are you going to do? You are going to force every great supply bill over to an extra session, because you will not let the American Senate do what? Vote on this bill—vote; that is all. And now, to prove it, I ask unanimous consent that this day a week hence, so that you will have ample time for all serious and honest argument, there shall be a vote

upon the pending bill and upon all pending amendments. I ask that unanimous-consent agreement.

Mr. GALLINGER. Let the roll be called, Mr. President.

The PRESIDING OFFICER. The hour of 6 o'clock having arrived—

Mr. WILLIAMS. I will renew the request in the morning.

The PRESIDING OFFICER. The Senate will stand in recess until 11 o'clock to-morrow morning.

Thereupon (at 6 o'clock p. m. Thursday, January 21, 1915) the Senate took a recess until to-morrow, Friday, January 22, 1915, at 11 o'clock a. m.

## HOUSE OF REPRESENTATIVES.

THURSDAY, January 21, 1915.

The House met at 11 o'clock a. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O Lord, be Thou our Shepherd, and lead us into green pastures and by the side of still waters. Restore our souls, and lead us into the paths of righteousness, that we may be profitable servants; not slothful in business; fervent in spirit, serving the Lord; rejoicing in hope, patient in tribulation; continuing instant in prayer; that we be not overcome of evil, but overcome evil with good; in the name of Him who taught us patience, forbearance, love, peace, and good will. Amen.

The Journal of the proceedings of yesterday was read and approved.

### FEDERAL AID TO POST ROADS (H. DOC. NO. 1510).

Mr. MADDEN. Mr. Speaker, I present the report of the Joint Committee on Federal Aid in the Construction of Post Roads, and ask that it be filed and printed.

The SPEAKER. The gentleman from Illinois presents a report on the subject of aid in the construction of post roads, and asks that it be filed and printed. Is there objection?

Mr. GARRETT of Tennessee. Mr. Speaker, reserving the right to object, is that printed automatically under the law?

Mr. MADDEN. I think it is.

Mr. MANN. Printed as a House document.

Mr. GARRETT of Tennessee. What does it carry with it—maps?

Mr. MADDEN. Maps and recommendations and data, covering all the information that we could obtain, from all over the world.

Mr. GARRETT of Tennessee. Is this a privileged proposition?

Mr. UNDERWOOD. As I understand, this is the report of the commission that was heretofore appointed by Congress to investigate roads.

Mr. MADDEN. Yes.

The SPEAKER. Is there objection?

There was no objection.

### BRIDGE ACROSS NIAGARA RIVER, LEWISTON, N. Y.

Mr. GITTINS. Mr. Speaker, I ask that the bill (S. 6121) to authorize the construction of a bridge across the Niagara River, in the town of Lewiston, in the county of Niagara and State of New York, be laid before the House. It is identical with a House bill reported by the Committee on Interstate and Foreign Commerce, which is on the calendar.

The SPEAKER laid before the House the bill (S. 6121) to authorize the construction of a bridge across the Niagara River, in the town of Lewiston, in the county of Niagara and State of New York.

The bill was read, as follows:

*Be it enacted, etc.,* That the Ontario-Niagara Connecting Bridge Co., a corporation created by the laws of the State of New York, being chapter 420 of the laws of 1914, is hereby authorized to construct, maintain, and operate a bridge and necessary approaches thereto across the Niagara River at a point suitable to public interests in the town of Lewiston, in the county of Niagara, State of New York, south of the southern boundary of the bridge and property of the Lewiston Connecting Bridge Co., to some point in Canada, on the west bank of said river, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906: *Provided*, That the offices of the Fine Arts Commission shall be obtained in connection with the consideration of the plans of said bridge, and that all power cables shall be permitted to cross the said bridge under equal rates for the privilege: *And provided further*, That the Ontario-Niagara Connecting Bridge Co., or its successors or assigns, shall at its own expense make such changes and install such accessories as may be necessary to cross any navigation canal which the United States may construct in that vicinity, and which may interfere with the approaches of the bridge.

Sec. 2. That this act shall become and be null and void if actual construction of the bridge herein authorized be not commenced before